

2022–2023
Annual Report

Newfoundland and
Labrador Housing
Corporation



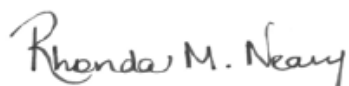
MESSAGE FROM THE CHAIR

I am pleased to present the 2022-23 Annual Report for the Newfoundland and Labrador Housing Corporation (NL Housing). The report provides an overview of NL Housing's programs and services, highlights progress towards established strategic goals, and contains the audited financial statements for the 2022-23 fiscal year.

NL Housing's mandate is to develop and administer housing assistance policy and programs for the benefit of low-to-moderate income households throughout the province. As is evident from the key achievements and activities captured in this report, the Corporation's programs and services support residents of the province across the full housing continuum, providing much-needed assistance and meaningfully impacting the lives of our clients. With a focus on supporting the most vulnerable, including those with distinct needs, the work undertaken by NL Housing supported the three strategic goals: Sustaining the Social Housing Stock; Increasing Access to Affordable and Adequate Housing; and, Strengthening Partnerships to Address Homelessness,.

As we reflect on the accomplishments of the 2022-23 year, on behalf of the Board, I would like to extend our sincere gratitude to all our employees and community partners for their continued commitment in addressing the diverse housing needs throughout the province.

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



Rhonda Neary
Chair

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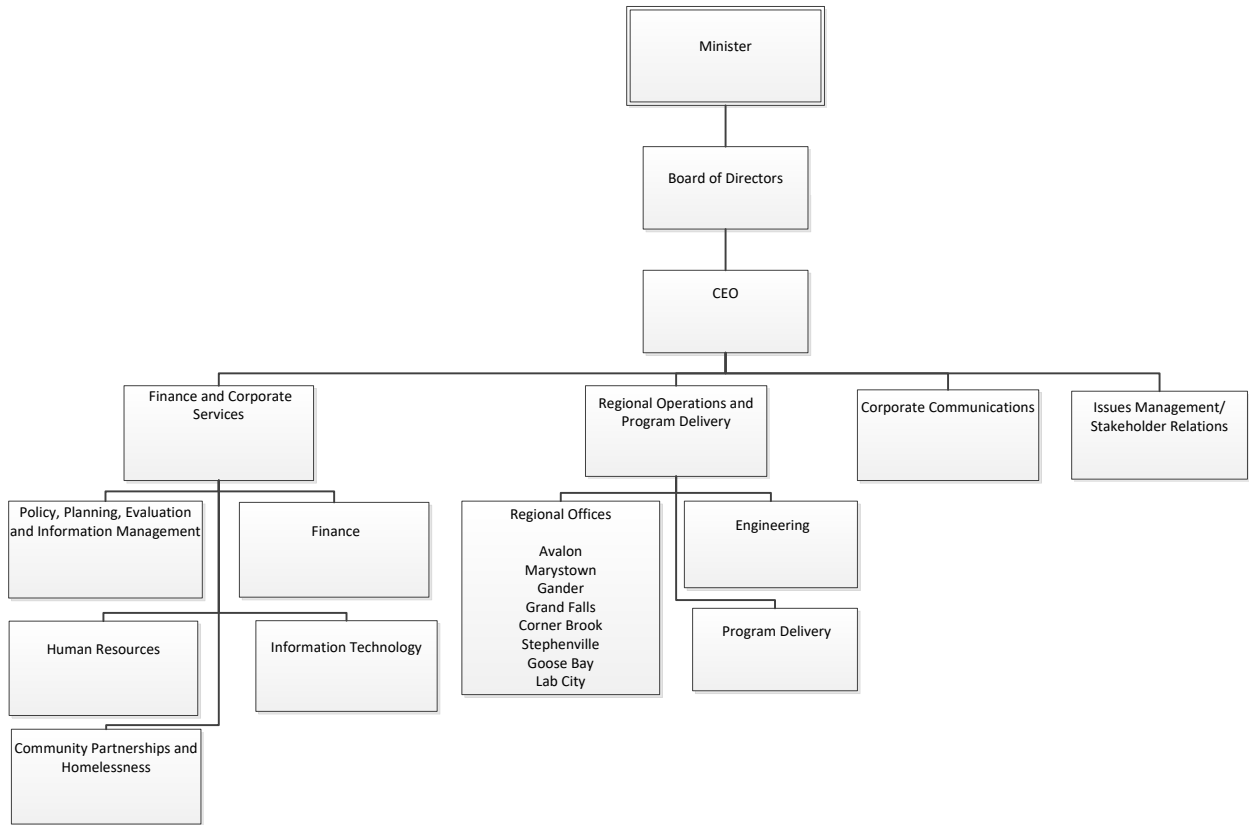
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Corporate Overview

Newfoundland and Labrador Housing Corporation (NL Housing) 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 Responsible for the Newfoundland and Labrador Housing Corporation. The Chief Executive Officer is an ex-officio member of the Board and holds primary responsibility for the day-to-day operations of NL Housing.

Board of Directors	
Rhonda Neary (Chair)	Portugal Cove-St. Philips
David Loveys (Vice-chair)	Conception Bay South
Karen Alexander	Paradise
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
Julia Mullaley, CEO (Non-voting)	St. John's

Organizational Structure

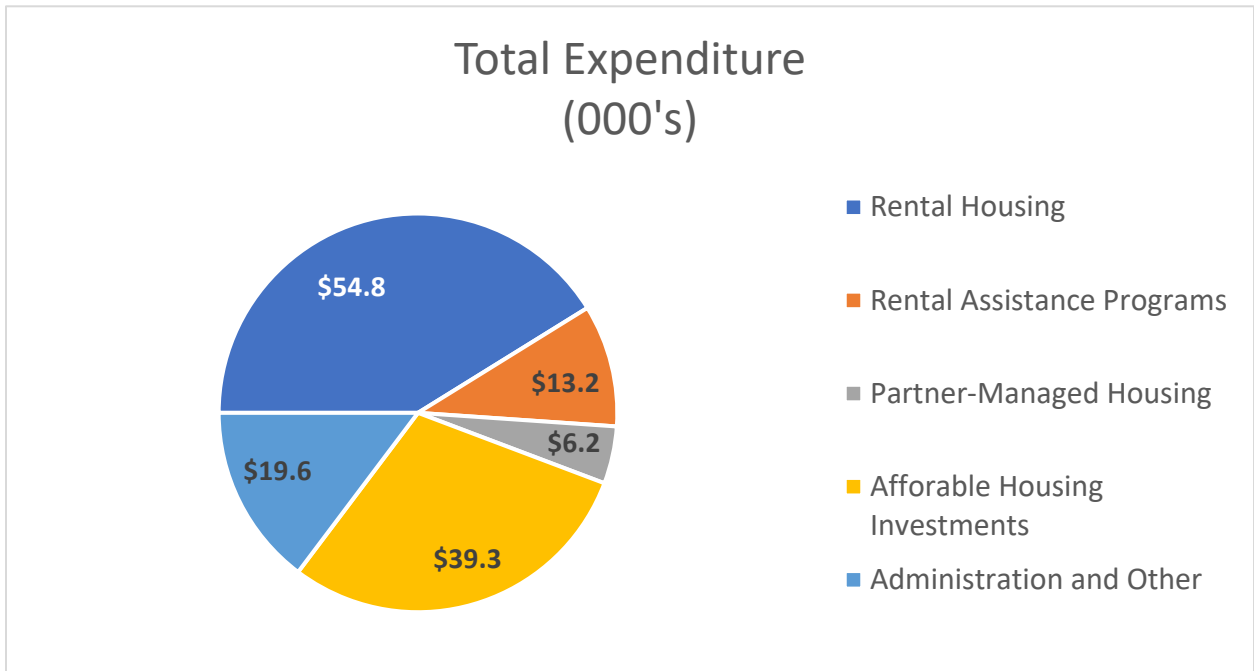


Staff and Budget

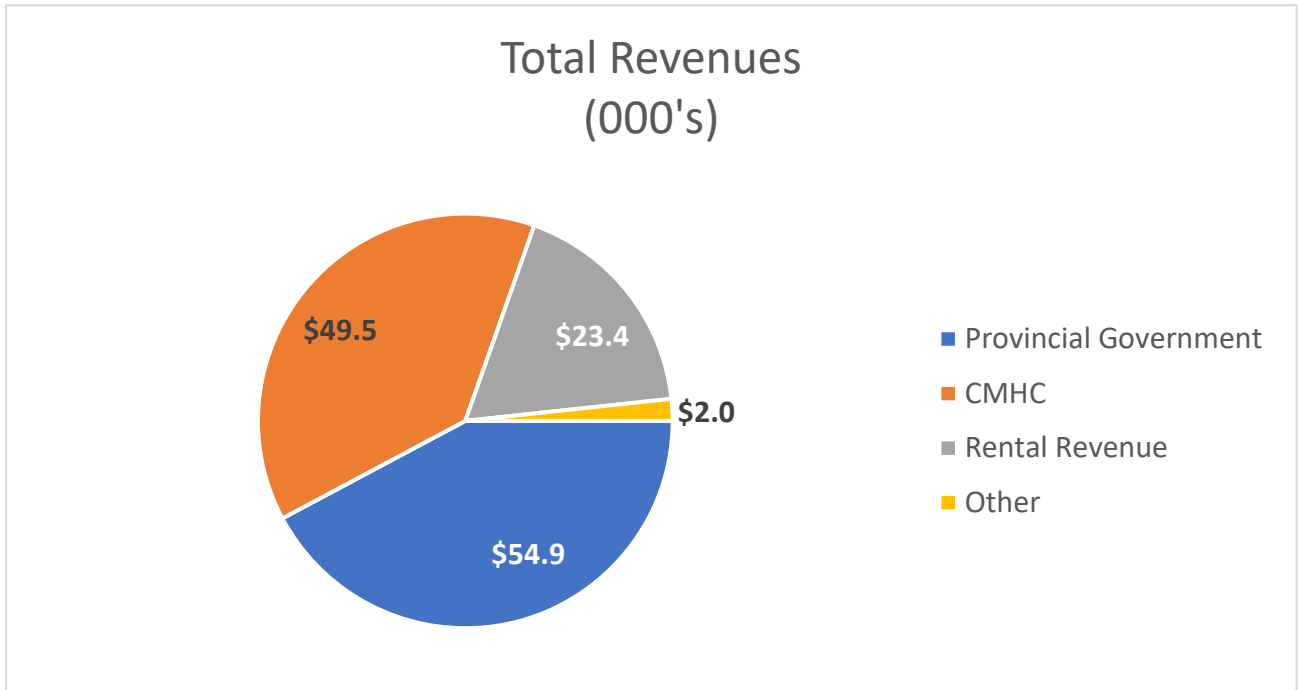
As of March 31, 2023, NL Housing had 317 permanent, seasonal, and temporary positions across four regions: Eastern, Central, Western and Labrador. NL Housing’s headquarters is located in St. John’s. In addition to headquarters, there are seven offices. Ninety-seven of the positions (31 per cent) are at the headquarters in St. John’s, while the regional offices having a combined total of 220 positions (69 per cent).

Geographic Area	Location	Number of Positions
Eastern Newfoundland	St. John's	211
	Marystown	7
Central Newfoundland	Gander	10
	Grand Falls-Windsor	23
Western Newfoundland	Corner Brook	40
	Stephenville	12
Labrador	Happy Valley-Goose Bay	10
	Labrador City	4
Total		317

In 2022-23, NL Housing's total expenditures were \$133.1 million. (Refer to the audited financial statements for further details.)



In 2022-23, NL Housing's total revenues were \$129.8 million. Refer to the audited financial statements for further details.



Mandate

NL Housing is a crown corporation whose mandate is to develop and administer housing assistance policy and programs for the benefit of low to moderate income households throughout the province.

Lines of Business

NL Housing's clientele consists of individuals and families with low-to-moderate incomes who require assistance in accessing or maintaining safe, adequate and affordable housing.

The programs delivered serve both renters and homeowners, and support vulnerable populations including those experiencing homelessness or fleeing gender-based

violence, seniors, youth, Indigenous persons and persons with disabilities. NL Housing delivers a wide range of programs across the full housing continuum to support the diverse range of housing needs throughout the province. An overview of NL Housing programs is outlined below:

Rental Housing Program provides for the operation and maintenance of the Corporation's over 5,500 social housing units throughout the province.

Rental Assistance Program assists in the provision of affordable, adequate and suitable rental accommodations in the private market to households in need.

Partner Managed Housing Program provides financial and technical support to partner-managed and cooperative housing providers offering 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.

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.

Emergency Shelter Program operates a 24/7 emergency shelter line and engages a range of non-profit and private shelter operators to respond to required temporary shelter placement for individuals experiencing homelessness.

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 have been subjected to intimate partner violence.

Home Repair Programs provide financial assistance to low-income homeowners to complete much needed repairs to their homes, improve accessibility, or to make energy efficiency improvements. These programs support accessibility requirements for seniors and persons with disabilities thereby enabling individuals and families to exercise choice and self-determination and remain in their own homes.

In 2022-23, over 11,500 households received direct assistance through NL Housing programs, and many additional individuals and families received assistance through a variety of community-based housing partnerships. Additional information about the programs and services offered by NL Housing, as well as the current mandate, can be found at: www.nlhc.nl.ca

Overview of Households and Clients Served 2022-23		
Program	Households	Clients
NL Housing	5,182	11,902
Rent Supplement	1,411	1,605
Canada-NL Housing Benefit	805	1,079
Co-Op Housing	18	n/a ¹
Partner Managed Housing	986	1,308
Federal Portfolio	112	n/a ²
Investment in Affordable Housing	1,014 ²	1,288
Home Modification Program	346	n/a ³
Provincial Home Repair Program	835	1,074
Home Energy Savings Program	880	1,201
Workplace NL	n/a ³	15 ⁴
Emergency Shelters	n/a ³	1,148
Transition House Program	n/a ³	1,220
Total	11,589	21,840

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

² The total number of affordable housing units that are in operation and providing rental housing services.

³ Household data is not applicable as these programs serve/count individual clients.

⁴ Inspections completed for Workplace NL formally known as Workplace Health, Safety and Compensation Commission clients.

Highlights and Partnerships

Highlights

Scholarships

On an annual basis, NL Housing provides Youth and Adult Scholarships to support tenants in pursuing post-secondary studies. Scholarships are awarded in three regions in the province: Avalon/Eastern, Central, and Western/Labrador, with each scholarship valued at \$1,000. Youth Scholarships are awarded based on the student's Academic or Honours graduation average as set by the Department of Education. Adult scholarships are awarded based on reviews that assess need, initiative, and community involvement. The 2022 NL Housing Scholarship recipients were as follows:

Youth scholarship recipients:

- Mohamad Askar, St. John's, a graduate of Holy Heart of Mary High School, attending College of the North Atlantic
- Tristin Clarke, St. John's, a graduate of Prince of Wales Collegiate, attending Marine Institute of Memorial University
- Emily Sheppard, St. John's, a graduate of Holy Heart of Mary High School, attending Memorial University of Newfoundland
- Keira Squires, St. John's, a graduate of Holy Heart of Mary High School, attending Memorial University of Newfoundland
- Preston Rice, Grand Falls-Windsor, a graduate of Exploits Valley High, attending College of the North Atlantic.

Adult scholarship recipients:

- Chandler Anstey, Grand Falls-Windsor, attending Memorial University of Newfoundland
 - Skylene Lane, Gambo, attending Keyin College
 - Krista Stephens, St. John's, attending Academy Canada
 - Liza White, St. John's, attending College of the North Atlantic.
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Senior's Navigator

Seniors represent a significant proportion of NL Housing's existing tenants, as well as the primary applicants for home repair programs, including: Provincial Home Repair Program, Home Modification Program, and Home Energy Savings Program. In an effort to be responsive to the emerging needs of seniors in the Avalon Region, with the goal of improving seniors' outcomes, and in partnership with Seniors NL, the Senior's Navigator position was created in late 2021. The scope of this position is to identify the needs of seniors (age 55+) in the Avalon Region and contribute to the formation of a collaborative community where all service providers are better able to meet the multiple and often complex needs of seniors.

In 2022-23, this position has made substantial strides to advance the Collective Impact project's goal of achieving measurable results in increasing social inclusion of seniors. The broader objectives of Collective Impact projects, funded through the New Horizons for Seniors Program (NHSP), are to:

- Build the collective capacity of organizations
- Promote improved access to information, programs and services for seniors
- Support action research for increasing the level of social inclusion
- Develop innovative approaches to engage senior volunteers
- Address systemic barriers that contribute to the social exclusion of seniors

Client interactions – whether it be to assist a senior struggling with housing, service access, mental health, and/or finances – reflects the direct impact this position has had on senior client services in the Avalon Region. Hosting outreach and staff information sessions and forging community partnerships are all components of the impact this role has had on producing better outcomes for seniors.

It is anticipated that this role will also highlight a number of key learnings to improve client outcomes and process efficiencies for NL Housing, in particular to assist in

identifying further opportunities to improve the experience and outcomes for seniors across the full suite of NL Housing's programs.

Partnerships

National Housing Strategy Investments

The National Housing Strategy (NHS) continues to be an important cost-shared investment between the Governments of Canada and Newfoundland and Labrador in addressing housing needs in the province.

New Builds throughout the Province

In 2022-23, NL Housing continued to prioritize NHS funding in order to increase the supply of safe, adequate and affordable housing. A number of new builds throughout the province commenced in 2022 with great progress throughout the year. In Peterview, construction on one single-family, two-bedroom home started in October, 2022 and is expected to be completed by the end of summer, 2023. In St. John's, construction on two buildings, consisting of eight one-bedroom units, started in November, 2022 and is anticipated to be completed by September, 2023. In Happy Valley-Goose Bay (HVGB), one building containing four one-bedroom units commenced in May, 2022 and is expected to be completed by mid-summer. Finally, in Gander, in August, 2022 construction of three buildings, six units, containing both one and two bedrooms was started with an anticipated completion date of September, 2023.

This effort to bolster the affordable housing supply in both urban and rural settings throughout the province is a welcome addition to NL Housing-owned housing stock. These nineteen new units will have positive impacts on clients in need of safe, adequate, and affordable housing.

Canada-Newfoundland and Labrador Housing Benefit (C-NLHB)

In 2021, the federal and provincial governments announced a \$74 million cost-shared investment for a new Canada-Newfoundland and Labrador Housing Benefit (C-NLHB). Implemented in the fall of 2021, this housing benefit provides eligible households with a direct-to-tenant portable rental subsidy to support housing affordably within the private rental market. This effort responds to the growing demand throughout the province for one and two-bedroom units and reduces wait-times for individuals and families in core housing need. This initiative also supports individuals and families in identifying housing that is appropriate to their particular needs and further supports their autonomy in choosing the type and location of their accommodation in the private market.

This \$74 million federal provincial investment will continue to expand portable rental assistance in the private market to an estimated 800 households by 2027-28, with access to this benefit prioritized for women fleeing violence, as well as individuals experiencing homelessness.

Over the past year, 687 eligible households were provided a C-NLHB, a direct-to-tenant portable rental subsidy. With over 50 per cent being female-head households, this partnership further addresses both federal and provincial commitments to prioritize housing for women and children.

NL Housing's Provincial Housing and Homelessness Partnership Fund

The Provincial Housing and Homelessness Partnership Fund (PHHPF) is intended to leverage and support partnerships with the federal government, Indigenous partners, municipalities, and non-profit organizations in the housing and homelessness sector that support NHS outcomes and other provincial housing priorities. This may include capital investments to build, renovate or repair rent-geared to income housing, investments in homelessness supports and services, supports to other vulnerable populations as identified in the NHS, and emerging housing related needs.

In the 2022-23 NL Housing provided \$1.12 million federal/provincial cost-shared funding to support varied initiatives under the Provincial Housing and Homelessness Partnership Fund, including repairs to, and new construction of, shelters and adult supportive living houses, funding for a housing support worker, and direct household assistance for a seniors organization.

Rapid Housing Initiative

The Rapid Housing Initiative (RHI), initially launched as a COVID-19 response, is a federal application-based program aimed at expediting the expansion of new affordable housing across the country for people and populations who are vulnerable. NL Housing's application under the RHI to support a partnership with The Gathering Place (TGP) to develop 56 new transitional and supportive housing units and 40 low-barrier shelter beds was approved in 2021. Work is well underway on this vital project and is expected to be completed by Summer, 2024. Appreciating the demographics and known profile of the population to be served will be among the most vulnerable, these new supportive housing options will significantly support NL Housing's strategic goal of increasing access to affordable and adequate housing, while also expanding supportive and accessible housing options for those experiencing or at risk of homelessness.

Under the RHI, construction of new NL Housing homes is also underway. This includes eight new one-bedroom units, started in November 2022 and which are anticipated to be completed by September 2023. Significant work was also advanced on the municipal zoning process to facilitate the pending construction of a further 32 NL Housing homes.

Community Partnerships - Happy Valley-Goose Bay

NL Housing is a member of the Happy Valley-Goose Bay Action Team which works to establish community-based solutions to address the needs of those experiencing homelessness in the area. Representation on the Action Team includes federal and Indigenous Governments and organizations, community partners, RCMP, the regional health authority, and Government departments and agencies.

Over the last year, significant work has continued on advancing the planning for the construction of a new integrated Health, Housing and Supportive Services Hub. The Hub will include a low barrier shelter, transitional and supportive housing units and a host of individualized programs and services that are inclusive and culturally appropriate for persons in need.

During the winter of 2022, under the National Housing Strategy, \$300,000 was provided to the Nunatsiavut Government to support the creation of a Housing Support Services Manager position to directly support individuals at the Housing Hub shelter and local hotel (which acts as shelter overflow) secure more stable housing options.

Additionally, NL Housing provided funding to the Labrador Friendship Centre, which on behalf of the Action Team, completed a community-led housing needs assessment ([Housing Needs Assessment Study: Labrador Friendship Centre \(Ifchvqb.ca\)](https://www.ifchvqb.ca)) to identify the current and long-term housing needs in the Happy Valley-Goose Bay area.

Report on Performance

Issue One: Sustaining the Social Housing Stock

Preservation and repair of existing social housing stock across Canada is a key priority of the NHS. Under the related nine-year bilateral agreement (2019-2028) between Newfoundland and Labrador and Canada, the following targets have been established by the end of March 2028:

- 5,957 social housing units continue to be available for low-income tenant households (100 per cent of baseline preserved); and
- 1,192 social housing units repaired (20 per cent repair target).

As the largest landlord in the province, NL Housing provides affordable housing options for individuals and families with low-to-moderate income throughout the province. Capital investments to repair and prevent deterioration of NL Housing-owned housing stock is vital to ensure its long-term sustainability.

Recognizing the importance of energy efficient homes and serving persons with disabilities and seniors to age in place, investing in accessibility modifications and energy efficiency improvements in the social housing stock is essential.

Goal

2020-23 Strategic Plan Goal: By March 31, 2023, NL Housing will have improved the sustainability of its social housing stock through the completion of interior and exterior upgrades on units, energy efficiency improvements, and accessibility modifications on social housing units.

2020-23 Goal Indicators	Accomplishment
Number of social rental housing units that receive interior upgrades.	481
Number of social rental housing units that receive exterior upgrades.	1,390
Number of social rental housing units that receive upgrades which include energy efficiency upgrades.	751
Number of social rental housing units that receive upgrades which include accessibility modifications.	258

2022-23 Objective

By March 31, 2023, NL Housing will have completed a further 100 interior and 350 exterior upgrades¹, energy efficiency improvements, and accessibility modifications on identified social housing units to support the sustainability of the NL Housing stock.

2022-23 Indicator	Accomplishment
Number of social rental housing units that receive interior upgrades.	128
Number of social rental housing units that receive exterior upgrades.	565
Number of social rental housing units that receive upgrades which include energy efficiency upgrades.	407
Number of social rental housing units that receive upgrades which include accessibility modifications.	85

Discussion of Results:

Sustaining NL Housing-owned social housing stock is essential to providing affordable and adequate housing to low-to-moderate households throughout the province both now and in the future. To this end, NL Housing prioritized investments for repairs and upgrades of its existing housing stock throughout 2020-23.

¹ The 2022-23 objective amended from original target of 150 interior and 150 exterior upgrades to 100 interior and 350 exterior upgrades due to additional funding allocations for repairs under the National Housing Strategy and finalization of specific repair projects, with more involving exterior upgrades.

Due to the emergence of the global pandemic in 2020, NL Housing followed provincial health guidance to ensure the health and safety of tenants and employees. In response to these guidelines, during certain periods throughout 2020-23, focus was diverted from completing interior upgrades on occupied units to completing exterior upgrades and interior repairs on vacant units. This approach balanced safety with continuing to complete repairs to serve the needs of our clients. Further, this approach, as well as the nature of the exterior upgrades that focused on building envelope improvements, including windows, siding, and roofs on larger multi-unit buildings, contributed to the number of exterior upgrades significantly exceeding the established target, totalling 1,390. With necessary safety precautions in place, a total of 481 interior upgrades were completed throughout 2020-23.

Energy efficiency and accessibility improvements were priorities for NL Housing throughout 2020-23. A total of 258 units received accessibility improvements which included such things as wheelchair ramps, bathroom renovations, as well as installation of grab bars and other mobility aids, all of which not only enhance the living environments, positively impacting individual tenants and families on a daily basis, but provide support for tenants to age-in-place. The NHS and Low Carbon Economy Fund (LCEF) has been instrumental in supporting energy efficiency upgrades across the housing stock. Funding under the LCEF supported furnace conversions, exterior building improvements (windows, doors, and siding) as well as attic insulation. In 2020-23, a total of 751 units received energy efficiency upgrades, all of which contribute to lowering energy bills and providing greater comfort for tenants.

Issue Two: Increasing Access to Affordable and Adequate Housing

Access to safe, affordable and adequate housing is key to improving health and social outcomes for individuals and families and for building stronger and healthier communities. Challenges in securing and maintaining affordable housing exist across the housing continuum in Newfoundland and Labrador. Addressing these challenges requires diverse, multi-faceted solutions. In addition to sustaining existing social housing units, this includes constructing new social housing; expanding rental assistance in the private market; delivering home repair programs for low-income homeowners to make modest repairs or complete accessibility and energy efficiency modifications to their homes; and increasing access to low-barrier and supportive housing options for individuals experiencing homelessness. These supports will increase access to affordable and adequate housing for individuals and families across the housing spectrum, from those experiencing or at risk of homelessness to homeowners.

The NHS includes a target of 15 per cent expansion of social and community housing and in Newfoundland and Labrador, requiring over 894 units to be added to the baseline number of 5,957 units by March 31, 2028.

Goal

2020-23 Strategic Goal: By March 31, 2023, NL Housing will have increased access to affordable and adequate housing for individuals and families throughout the province.

2020-23 Indicator	Accomplishment
Implementation of a new portable housing benefit in partnership with the Federal Government.	In the fall of 2021, the Canada-Newfoundland and Labrador Housing Benefit (C-NLHB) was implemented. This provides eligible households with a direct-to-tenant portable rental subsidy to support housing affordably within the private rental market. The CNLHB has been integral in helping to support those in various communities throughout the province in the greatest need and has played an essential role in accessing and maintaining safe, appropriate and affordable housing.

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<p>Number of individuals and families receiving rent supplement/housing benefit.</p>	<p>As of March 31, 2023, 2,216 households were receiving rent supplement/housing benefits.</p>
<p>Number of individuals and families served through expansion of housing, including social and affordable housing units, shelter beds, and supportive housing units.</p>	<p>Under the cost-matched National Housing Strategy, in 2020-21, NL Housing was able to renew its operating subsidies to 56 units within the province. A renewed commitment to retain these units within the social housing portfolio means that households in core housing need will continue to be served.</p> <p>In 2021-22, NL Housing renewed operating subsidies for 194 housing units for which federal support for the operation and maintenance of the unit expired under the Social Housing Agreement. In response to the increased demand for emergency shelter, during this same year, NL Housing engaged additional temporary shelter arrangements throughout the province. This included 25 additional overflow shelter beds in Happy Valley-Goose Bay; the provision of a NL Housing-owned unit to the local housing and homeless coalition in Labrador City (three beds), as well as a similar arrangement with a community partner in Corner Brook (three beds). These innovative partnerships have supported community agencies to be responsive to local housing needs as well as creatively utilizing larger NL Housing-owned units. NL Housing's Provincial Housing and Homelessness Partnership Fund also provided funding to support the opening of 20 new supportive housing units at the Centre for Hope in St. John's.</p> <p>In 2022-23, NL Housing partnered with a non-profit organization to open a 20-unit overnight shelter, as well as a seven-unit (14 bedroom) shelter in St. John's to better serve families seeking emergency shelter services. NL Housing also partnered with Connections for Seniors to expand shelter capacity by 4 beds. Additionally in 2022-23, construction commenced on 19 NL Housing units – 8 in St. John's, 4 in Happy Valley-Goose Bay, 6 in Gander and 1 in Peterview.</p>

<p>Number of homeowners receiving repair assistance, including energy efficiency and accessibility modifications.</p>	<p>In the years 2020-23, a total of 5,699 low-income households received repair assistance, including energy efficiency and accessibility modifications.</p> <p>Financial assistance was provided to 3,215 homeowners under the Provincial Home Repair Program; 1,516 homeowners under the Home Energy Savings Program; and, 968 homeowners under the Home Modification Program.</p>
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2022-23 Objective

By March 31, 2023, NL Housing will have increased access to affordable and adequate housing through further expansion of social and community housing options, and provision of a rental benefit to 650² households and home repair and modification assistance to a further 1,700³ households.

2022-23 Indicator	Accomplishment
<p>Number of individuals served through expansion of housing, including social housing units, shelter beds, and supportive housing units.</p>	<p>With the assistance of NL Housing, an additional 34 shelter beds were opened in St. John's in 2022-23. This includes a 20-unit overnight shelter and a seven-unit (14 bedroom) shelter.</p> <p>In 2022-23, NL Housing provided operating funding and rental benefits to support the opening of the Salvation Army's Center for Hope 20-bed supportive housing units.</p> <p>Work is continuing with the Gathering Place to expand the social housing stock by an additional 10 shelter beds and an estimated 56 transitional/supportive housing units.</p> <p>Through cost-shared provincial and federal investment under the Canada Community</p>

² The 2022-23 objective amended from original 700 households to 650 to reflect the delayed implementation of the Canada-NL benefit as noted in the discussion of results for 2021-22.

³ The 2022-23 objective amended from original 1,000 to 1,700 as delivery of the home repair programs in 2020-21 and 2021-22 were impacted by the COVID-19 pandemic and the increased number reflects the remaining carry-forward from these years.

	<p>Housing Initiative, and in conjunction with federal funding under the Rapid Housing Initiative, 40 new NL Housing units will be created on existing vacant land in Pleasantville. Eight of the 40 units were started in 2022-23. While still in an early planning phase, NL Housing also announced federal/provincial funding to construct an additional 40-unit affordable housing project also in Pleasantville.</p> <p>NL Housing also partnered with Connections for Seniors in 2022-23 to expand shelter capacity by four beds.</p> <p>In 2022-23, NL Housing commenced 19 new builds. These homes will be located in communities throughout the province.</p>
<p>Number of new households accessing NL Housing rental assistance benefits (Rent Supplement/Canada-Newfoundland and Labrador Housing Benefit).</p>	<p>In 2022-23, 687 new households were provided a C-NLHB, a direct-to-tenant portable rental subsidy.</p>
<p>Number of homeowners receiving repair assistance, including energy efficiency and accessibility modifications.</p>	<p>In 2022-23, financial assistance was provided to 2,061 low-income households under home repair programs: 346 homeowners under the Home Modification Program; 835 homeowners under the Provincial Home Repair Program; and, 880 homeowners under the Home Energy and Savings Program.</p>

Discussion of Results:

Throughout 2020-23, NL Housing has made great strides to increase access to affordable and adequate housing for individuals and families throughout the province through the expansion of the social housing portfolio.

The implementation of the Canada-Newfoundland and Labrador Housing Benefit has had a significant impact on individuals and families throughout the province. Announced by the provincial and federal governments in August, 2021, the first intake of tenants to the program commenced in the Fall of 2021. This portable, direct-to-tenant benefit complements the rental supplement program which assists in the provision of affordable, adequate and suitable rental accommodations in the private market to households in need. These two programs have increased access to affordable housing for individuals and families throughout the province, having served a total of 2,684 clients from 2020 to 2023.

To further advance NL Housing's commitment to expand social housing units, shelter beds and supportive housing units, a number of projects have commenced across the province. In 2020-23, NL Housing renewed its operating subsidies to 250 units within the province. This renewed commitment to retain these units within the housing portfolio meant that households in core housing need would continue to be served. NL Housing also supported additional temporary shelter arrangements throughout the province. This included 25 additional overflow shelter beds in Happy Valley-Goose Bay; the provision of a NL Housing-owned unit to the local housing and homeless coalition in Labrador City, as well as a similar arrangement with a community partner in Corner Brook. To further bolster efforts to increase shelter beds, throughout 2020-23, NL Housing has formed and maintained partnerships with The Gathering Place, Safe Haven Housing Services and Connections for Seniors. NL Housing's PHHPF provided funding to support the opening of 20 new supportive housing units at the Centre for Hope in St.

John's. In 2022-23, NL Housing continued to support the expansion of affordable social housing with new builds throughout the province with projects in Happy Valley-Goose Bay, Gander, Peterview, St. John's, and funding allocated for new builds in Bonavista in partnership with Habitat for Humanity.

In addition to these efforts, NL Housing's Provincial Home Repair Program, Home Energy and Savings Program and Home Modification Program have assisted homeowners to remain housed. Throughout 2020-23 a total of 5,699 low-income households received repair assistance, including energy efficiency and accessibility modifications.

Issue Three: Strengthening Partnerships to Address Homelessness

Homelessness is often the result of systemic or societal barriers, including a lack of affordable and appropriate housing, the financial, mental, cognitive, behavioral or physical challenges facing individuals in society, and/or racism and discrimination. For some, the experience of intergenerational trauma further compounds the issue. Over the last several years, similar to trends across the country, the prevalence of homelessness has increased throughout the province and across key demographics, including Indigenous populations, youth, seniors, and those with complex service needs.

As homelessness is a complex social issue, it requires multifaceted responses. Strong partnerships and coordination of expertise and resources across sectors and between federal, provincial, municipal and Indigenous governments, and community partners are required to effectively focus efforts at decreasing homelessness and preventing new inflows into homelessness. NL Housing remains committed to fostering and building on these partnerships, and exploring new ways of working together to coordinate and integrate responses which improve supports and outcomes for the vulnerable populations we serve.

Goal

2020-23 Strategic Plan Goal: By March 31, 2023, NL Housing will have strengthened partnerships with government, community and other stakeholders to improve the system of services and supports for individuals facing homelessness.

2020-23 Indicators	Accomplishment
Low-barrier shelter options created.	Over the duration of the 2020-23 period, to address an increasing demand for emergency shelter, NL Housing expanded the number of shelter placement options. In the fall of 2020, NL Housing released a call for low-barrier shelter services which resulted in the creation of 30 new beds at The Gathering Place. An

	<p>additional partnership with The Gathering Place will see a further expansion of 10 shelter beds, along with an estimated 56 transitional/supportive housing units which are currently under construction.</p> <p>Additional shelter beds were also secured in Corner Brook (three) and Lab City (three). In St. John's, with assistance from NL Housing, a 20-unit overnight shelter was opened in August, 2022 and a seven-unit (14 bedroom) shelter in September, 2022. Connections for Seniors also expanded their shelter capacity by four beds.</p> <p>In addition, a request for proposals, seeking additional low-barrier shelter services in the St. John's area, was released earlier this year.</p>
<p>Development and partial implementation of a comprehensive Provincial Housing and Homelessness Plan.</p>	<p>In partnership with Choices for Youth, an Innovative Housing Solutions Lab was held in December 2022 where community and government came together to share ideas on existing gaps and to identify tangible actions that could be explored in addressing housing and homelessness needs throughout the province.</p> <p>In 2022-23, the Department of Children, Seniors and Social Development (CSSD) completed extensive public consultations to inform the development of a provincial Social Well-Being Plan. Housing was a significant component of the consultations.</p> <p>NL Housing is using the feedback from the CSSD consultations, as well as the Housing Solutions Lab, to draft comprehensive actions to address housing and homelessness which will be included in forthcoming the Social Well-Being Plan.</p>

<p>Targeted policy and program responses to support the homeless population.</p>	<p>Launched in late 2021, the Canada-NL Housing Benefit was a timely response to support housing options for individuals experiencing homelessness. NL Housing worked with community partners to ensure the policy and program responses for NL Housing, along with this new benefit were targeted to serve individuals experiencing homelessness.</p> <p>In 2021-22, 234 households experiencing homelessness secured safe and affordable housing options under NL Housing’s Rental Housing or Canada-NL Housing Benefit programs. In 2022-23, this number grew to an additional 377 households.</p> <p>The emergency shelter program has also been positioned to respond to the growing referrals for shelter placement. In the summer and fall of 2022, NL Housing expanded the number of shelter beds in the St. John's area by 38. In January 2023, a call for proposals seeking low-barrier shelter services for the St. John's area was also issued. At the end of 2022-23, NL Housing was in the process of drafting similar regional request for proposals to respond to growing shelter demand in the Central and Western regions.</p>
<p>Partnerships with government and community agencies to support better coordination of services and supports for those experiencing homelessness.</p>	<p>In 2022-23, NL Housing initiated partnerships with Homestead, Stella's Circle and Connections for Seniors to ensure timely responses to individuals currently in shelter. These partnerships have resulted in a wide range of housing outcomes.</p> <p>Homestead supported a total of 150 clients, with 57 households specifically supported to secure housing and a further 14 supported with eviction prevention or shelter diversion services.</p>

	<p>Stella's Circle, under its Housing Focused Case Management initiative, reported 59 housing placements with 33 households being successfully matched with a Canada-NL Housing Benefit and at least 51 households being directly supported to move from shelter to housing.</p> <p>Connections for Seniors and NL Housing continued their partnership with the City of St. John's to support seniors with complex needs in a cohabitation model which provides seniors with stable housing, light touch supports and an environment which supports seniors to overcome loneliness and isolation. A total of 55 seniors have been assisted over a two-year period: 22 seniors were assisted in 2021-22 and 33 seniors were assisted in 2022-23.</p>
<p>Annual reporting on homeless shelter usage and number of individuals experiencing or at risk of homelessness transitioned to subsidized rental housing.</p>	<p>Over the three-year planning cycle, the numbers of individuals experiencing homelessness has varied, but transitioning out of the Covid-19 pandemic have clearly trended upward.</p> <p>Reporting from a unique users perspective, there were 855 (20-21); 987 (21-22) and 1,148 (22-23) individuals that were provided emergency shelter placement.</p> <p>Over the last three years, an increasing number of vulnerable households who have secured subsidized rental housing options as follows: 285 households in 20-21; 343 households in 21-22 and further growing to 483 households in 22-23. These successful efforts were largely supported through the introduction and implementation of the Canada-NL Housing Benefit.</p> <p>Over 180 of those individuals were experiencing homelessness accessed permanent housing through Canada-NL Housing benefit and 103 accessed NL Housing units.</p>

2022-23 Objective

By March 31, 2023, NL Housing will have further supported partnerships that strengthen integrated and coordinated responses for individuals experiencing or at risk of homelessness, including enhancement of regional emergency shelter responses⁴.

2022-23 Indicator	Accomplishment
<p>Continued partnerships with federal, municipal and Indigenous governments and community organizations to support additional responses that address homelessness, including enhancement of regional emergency shelter responses.</p>	<p>Throughout 2022-23, NL Housing continued in its efforts to forge cross-cutting partnerships that engage community, municipal, provincial and federal partners to support additional responses that address homelessness. This includes ongoing work in Happy Valley-Goose Bay to develop an integrated health, housing and supportive services hub, bringing critical supports together to meet people where they are. In the Fall, a number of capital funding applications were completed including to the federal government.</p> <p>NL Housing partnered with the Nunatsiavut Government to fund the creation of a Housing Support Services Manager position which directly supports individuals at the Housing Hub shelter and local hotel (which acts as shelter overflow) secure more stable housing options.</p> <p>Important milestones have also been reached with respect to securing a letter of intent from the provincial Minister of Fisheries, Forestry and Agriculture, related to the transfer of the land parcel in HVGB as the proposed site for the new integrated Hub: presentation on the initiative to Indigenous partners as well as presentation to the federal Department of Indigenous Services Canada.</p>

⁴ The 2022-23 objective amended from original to align more clearly with the intent of continued incremental support to partnerships that strengthen responses for individuals experiencing homelessness.

	<p>In late November 2022, NL Housing and local community stakeholders and the HVGB Action Team hosted a series of four public information sessions to share background, objectives and overarching project status with residents of Happy Valley Goose Bay. The sessions were well attended by members of the HVGB Action Team and the wider public. They provided an important opportunity to highlight the ongoing contributions of the housing and homelessness sector as well as specifics on the project design which will include 30 shelter beds, 20 transitional and 20 supportive housing units in addition to complementary culturally-appropriate, and Indigenous-led programming as well as space for community and health services.</p> <p>Engagement of community and federal partners continues as it relates to the Rapid Housing Initiative 2 projects, in particular the environmental and demolition components to support the renovations at the Mercy Convent (The Gathering Place) which will support the opening of the 40-bed emergency shelter and 56 supportive and transitional housing units. Federal and provincial funding supported a non-profit organization, Homestead, to support individuals in shelters to rapidly rehouse and also to prevent evictions. STEP funding was provided to nine Housing Support workers, employed by community organizations throughout the province to support housing set ups, utility and/or rental arrears, eviction prevention and shelter diversion.</p> <p>Additionally, NL Housing has funded a Housing Case Management position with Stella's Circle to focus on moving individuals from shelter to more permanent housing options. Between April 2022 to December, this supported 32 client intakes, with 17 individuals securing permanent housing.</p>
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<p>Continued collaboration with community stakeholders to leverage federal Reaching Home funding to support localized responses that address homelessness.</p>	<p>NL Housing continues to sit on both Reaching Home Regional Advisory Boards and has been working closely with community and governmental partners in the review and recommendations for Reaching Home funded community initiatives.</p> <p>In addition, NL Housing sits as a member of End Homelessness St. John's (EHSJ) oversight governance Board, Community Advisory Board as well as Coordinated Access to Homes table. NL Housing works with EHSJ and community partners in an effort to ensure that federal funding and community priorities are responsive to the shelter system and aligned with supporting strong housing outcomes for individuals experiencing homelessness.</p> <p>Specific NL Housing partnership projects include the continuation of the Lab West and Elm Place (Corner Brook) shelters, both of which engage NL Housing-owned units. Similarly, NL Housing involvement and support to the Indigenous (off-reserve) stream has resulted in key investments in outreach capacity as well as tangible investments which increase housing supply and access for local vulnerable populations with acquisition projects approved for both the HVGB Housing and Homelessness Coalition and the Labrador Friendship Centre.</p>
<p>Development of a Provincial Housing and Homelessness Plan in collaboration with other departments and stakeholders, with the goal of reducing core housing need and addressing the systemic barriers related to homelessness.</p>	<p>In partnership with Choices for Youth, an Innovative Housing Solutions Lab was held in December 2022 where community and government came together to share ideas on existing gaps and to identify tangible actions that could be explored in addressing housing and homelessness needs throughout the province.</p> <p>In 2022-23, the Department of Children, Seniors and Social Development (CSSD) completed extensive public consultations to inform the development of a provincial Social</p>

	<p>Well-Being Plan. Housing was a significant component of the consultations.</p> <p>NL Housing is using the feedback from the CSSD consultations as well as the Housing Solutions Lab to inform development of actions to address housing and homelessness which will be included in forthcoming the Social Well-Being Plan.</p>
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Discussion of Results:

Consistent with trends across the country, 2020-23 saw an increased prevalence of individuals experiencing homelessness throughout the province. Continued efforts to strengthen partnerships among federal, provincial, municipal, Indigenous and community partners to leverage each other’s resources and expertise have proven crucial to address homelessness and improve the system of services and supports for individuals facing homelessness. As a result, NL Housing made a concerted effort to renew partnerships and forge new collaborations with existing partners throughout 2020-23.

The establishment of a low-barrier shelter in 2020-21 provided an important response along the shelter continuum for individuals who may not be accommodated by other shelter providers due to addictions or other complex service needs. With the emergence of a global pandemic, this also supported a response to the need for increased staffed and supported shelter environments. In that same year, the federal Reaching Home strategy provided an additional \$3.6 million which supported localized responses for housing and homelessness needs around the province.

Partnerships with government and community agencies to support better coordination of services and supports as well as targeted policy and program responses to support the homeless population have progressed throughout 2020-23. The development of key

housing and homelessness actions to be included in the provincial Social Well Being Plan continues.

Work relating to the Gathering Place's project to expand shelter beds, the opening of the Centre of Hope's 20 supportive housing units, as well as NL Housing's partnership with Stella's Circle to fund one of the six microunits that will serve as transitional housing units for women who have history with corrections and require supports, all demonstrate active and ongoing responses to homelessness.

To support regional shelter responses in Corner Brook and Lab West, NL Housing collaborated with community partners for the use of NL Housing-owned housing units in these areas. This collaboration resulted in the creation of six new shelter beds. Similar work is underway in Gander where a proposal was brought forward in partnership with the Central Residential Services Board (CRSB) and the local Community Advisory Board. This proposed model includes use of an NL Housing-owned duplex for a combined residential supportive living residence and an emergency shelter. With the tender having closed in March 2023 to complete necessary repairs and accessibility modifications, this emerging partnership will further advance efforts to improve the system of services and supports for individuals facing homelessness.

Significant work has also been focused on the procurement planning for the Happy Valley-Goose Bay integrated health, housing and supportive services hub. The preliminary design and costing is complete and funding applications have been submitted to the federal government, with the provincial 2023 budget announcing over \$30 million for the construction of this new integrated Hub. Additional site assessment work is underway, with development of a request for proposals for the next steps in procurement planning process underway. This will include detailed design and costing and further opportunities for public engagement.

NL Housing, in partnership with the federal government and community organizations, have made substantial strides to implement and support initiatives which produce specific and effective responses to homelessness. This is demonstrated by the many and varied partnerships NL Housing has formed and maintained throughout 2020-23, wherein leveraging each other's resources and expertise has led to better, more effective coordinated responses to homelessness throughout this province. As a result, throughout the year, over 180 individuals experiencing homelessness accessed permanent housing.

Opportunities and Challenges

Opportunities

In November 2017, the Government of Canada released the 10-year (2018-2028) National Housing Strategy (NHS). The aim of the NHS is an estimated \$82 billion investment in affordable housing in Canada between 2018 and 2028, inclusive of both federal and provincial/ territorial investments. The NHS and related \$344 million nine-year bilateral agreement between the governments of Canada and Newfoundland and Labrador continue to represent a significant opportunity to support the diverse and emerging housing needs in our province.

The primary funding allocation for Newfoundland and Labrador under the NHS flows through individual bilateral agreements with the federal government. The Province's total funding allocation over this ten-year period is approximately \$172 million. The Province's key targets under its bilateral agreement are as follows:

- 5,957 social housing units will be operated over the life of the agreement; this reflects a continuation of the baseline unit count taken at the commencement of the Province's bilateral agreement.
- 1,192 social housing units repaired by March 31, 2028; this reflects a 20 per cent repair target.
- 894 units added to the baseline number of social housing units by March 31, 2028, which is a 15 per cent expansion target. The Province will achieve expansion through a combination of new construction, reconfiguration of existing units or renewed financial commitment to current units for which Federal funding has already expired.

Over the nine-year period of 2019-2028, investments will collectively support over 21,800 Newfoundland and Labrador households to access safe, affordable, and adequate housing.

Affordable housing was a prominent focus of the 2023 provincial budget. A new, three-year, \$70 million Affordable Housing Program, to be administered by NL Housing, was announced by the provincial government in March, 2023. This program will include partnerships with private and community housing sectors and create over 850 new affordable homes in the province's rental market. This program will focus on seniors, and will support other vulnerable populations including young adults, Indigenous peoples, people with disabilities, immigrants, and people experiencing homelessness.

Challenges

Newfoundland and Labrador continues to experience the economic and social impacts from the Covid-19 pandemic. This, paired with escalating cost of living and the tightening rental market, continues to increase the demand for assistance, especially for individuals and families with low to moderate incomes throughout this province.

Changing demographics, particularly an aging population, will continue to increase demand for affordable and supportive housing, home repair and rental assistance for seniors. The prevalence of increased homelessness throughout the province and across key demographics, including Indigenous populations, youth, seniors, and those with complex service needs will require coordinated response among all orders of government, in conjunction with community partners.

In this past year, an overall increased need for housing in this province has further highlighted the lack of affordable housing and the limited housing supply and has placed additional pressures on the rental market and contributed to an increased demand on NL Housing programs.

A household is considered to be in core housing need if it cannot access adequate, affordable or suitable housing without spending 30 per cent or more of the individual or family's before-tax income on housing. The most recent available data on the core housing need from the 2021 Census indicates that 8.0 per cent of households in the province (17,525 households) were in core housing need, with affordability identified as

the primary issue. This data does not reflect the recent changes created by the new influx of individuals and families in need of housing throughout the province.

Given the economic reality of the province, the high demand for affordable housing, and the challenges in addressing the diverse range of housing and homelessness needs, continued investments to preserve and maintain existing NL Housing-owned housing stock and expand affordable housing options will remain important goals. Opportunities to expand one and two-bedroom units, and improve the overall accessibility and energy efficiency of our portfolio, will continue to be targets for NL Housing as we strive to develop and administer housing assistance programs and services throughout our vast geography of this province.

Annex A : Audited Financial Information

**NEWFOUNDLAND AND LABRADOR
HOUSING CORPORATION**

FINANCIAL STATEMENTS

MARCH 31, 2023

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.



Ms. Julia Mullaley, CPA, CA
Chief Executive Officer



Mr. Mike Tizzard, CPA, CGA
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, 2023, 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, 2023, 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.

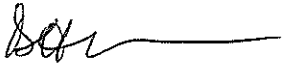
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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.



DENISE HANRAHAN, CPA, CMA, MBA, ICD.D
Auditor General

September 22, 2023
St. John's, Newfoundland and Labrador

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

	2023	2022
	(000's)	(000's) Restated (Note 3)
FINANCIAL ASSETS		
Cash	\$ 5,330	\$ 23,800
Accounts receivable (Note 4)	2,755	2,283
Land held for sale (Note 5)	9	9
Due from government and other government organizations (Note 6)	36,678	21,622
Loans receivable (Note 7)	5,153	5,690
Receivables from municipalities - land transfers (Note 8)	464	522
	50,389	53,926
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	11,796	9,160
Employee future benefits (Note 10)	22,512	23,399
Due to government and other government organizations (Note 11)	1,446	1,551
Asset retirement obligations (Note 12)	135,424	135,621
Deferred revenue (Note 13)	30,664	28,003
Long-term debt (Note 14)	61,861	66,265
	263,703	263,999
Net debt	(213,314)	(210,073)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	100,395	100,531
Inventories held for use	478	457
Prepaid expenses (Note 16)	4,250	4,112
	105,123	105,100
Accumulated deficit	\$ (108,191)	\$(104,973)

Contingent liabilities (Note 17)
 Contractual rights (Note 18)
 Contractual obligations (Note 19)
 Trust under administration (Note 23)

Rhonda M. Neary

D. D. D.

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

	2023 Budget	2023 Actual	2022 Actual
	(000's) Unaudited (Note 27)	(000's)	(000's) Restated (Note 3)
REVENUES (Note 20)			
Province of Newfoundland and Labrador operating grant	\$ 47,408	\$ 54,904	\$ 47,918
CMHC revenue	63,274	49,507	40,296
Other government sources	230	431	409
Rent	23,585	23,371	23,493
Interest	333	817	388
Land sales	-	6	-
Gain on sale of tangible capital assets	-	89	2
Profit from land sales by municipalities	30	61	29
Other	577	660	717
	135,437	129,846	113,252
EXPENSES (Note 20)			
Rental operations	51,119	54,808	49,349
Partner managed housing	7,081	6,171	6,462
Affordable housing investments (Note 21)	49,765	39,277	30,437
Rent supplement	14,399	13,191	10,796
Land development	-	866	10
Administration	19,389	18,751	18,180
	141,753	133,064	115,234
Annual deficit	(6,316)	(3,218)	(1,982)
Accumulated deficit, beginning of year	(104,973)	(104,973)	(102,991)
Accumulated deficit, end of year	\$ (111,289)	\$ (108,191)	\$ (104,973)

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

	2023 Budget	2023 Actual	2022 Actual
	(000's) Unaudited (Note 27)	(000's)	(000's) Restated (Note 3)
Annual deficit	\$ (6,316)	\$ (3,218)	\$ (1,982)
Changes in tangible capital assets (Note 15)			
Acquisition of tangible capital assets	(6,716)	(4,455)	(701)
Net book value of tangible capital asset disposals and write-downs	-	7	-
Amortization of tangible capital assets	4,417	4,584	5,026
	(2,299)	136	4,325
Changes in other non-financial assets			
Net (acquisition) of inventories held for use	-	(21)	(17)
Net (acquisition) of prepaid expenses	-	(138)	(26)
	-	(159)	(43)
(Increase) decrease in net debt	(8,615)	(3,241)	2,300
Net debt, beginning of year	(210,073)	(210,073)	(212,373)
Net debt, end of year	\$ (218,688)	\$ (213,314)	\$ (210,073)

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

	2023	2022
	(000's)	(000's) Restated (Note 3)
Operating transactions		
Annual deficit	\$ (3,218)	\$ (1,982)
Adjustment for non-cash items and change in non-cash operating items:		
Increase (decrease) in provision for doubtful accounts, loans receivable	79	(51)
Amortization of tangible capital assets	4,584	5,026
Gain on sale of tangible capital assets	(89)	(2)
Gain on settlement of asset retirement obligations	(197)	-
Employee future benefits	(887)	(444)
Deferred revenue	2,661	14,798
Forgivable loans	6,049	6,365
Other (Note 24)	(13,156)	5,607
Cash (applied to) provided from operating transactions	(4,174)	29,317
Capital transactions		
Proceeds, net of selling costs, on sale of tangible capital assets	96	2
Cash used to acquire tangible capital assets	(4,455)	(701)
Cash applied to capital transactions	(4,359)	(699)
Investing transactions		
Decrease in receivable from municipalities - land transfers	58	72
Repayment of loans and advances	1,341	1,408
Forgivable loans	(6,049)	(6,365)
Loans and advances	(883)	(816)
Cash applied to investing transactions	(5,533)	(5,701)
Financing transactions		
Debt assumed	1,215	-
Debt retired	(5,619)	(5,277)
Cash applied to financing transactions	(4,404)	(5,277)
(Decrease) increase in cash	(18,470)	17,640
Cash, beginning of year	23,800	6,160
Cash, end of year	\$ 5,330	\$ 23,800

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

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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 4 and Note 7, 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 14.

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

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, 2023

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.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

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. 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.

(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.

2. Summary of significant accounting policies (cont.)

(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 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.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

3. Change in significant accounting policy

Effective April 1, 2022, the Corporation adopted PS 3280 Asset Retirement Obligations which requires public sector entities to record a liability when there is a legal obligation associated with the retirement of a tangible capital asset. The Corporation’s accounting policy for these obligations can be found in note 2(n).

Impact on transition

The Corporation adopted PS 3280 using the modified retroactive approach which requires restating comparative figures and adjusting opening accumulated surplus at April 1, 2021. Recognition of all liabilities, increases in tangible capital assets and amortization expense have been measured as if PS 3280 had been applied when the applicable tangible capital assets were acquired.

The following table summarizes the changes in comparative figures for the Statements of Financial Position, the Statement of Operations, Statement of Change in Net Debt, Statement of Cash Flows, Note 12, Note 15 and Note 20:

	March 31, 2022, as originally reported	Adjustment required for PS 3280 Adoption	March 31, 2022 Restated
	(000’s)	(000’s)	(000’s)
Statement of Financial Position			
Asset retirement obligations	\$ -	\$ 135,621	\$ 135,621
Total liabilities	128,378	135,621	263,999
Net debt	(74,452)	(135,621)	(210,073)
Tangible capital assets	98,892	1,639	100,531
Non-financial assets	103,461	1,639	105,100
Accumulated surplus (deficit)	29,009	(133,982)	(104,973)
Statement of Operations			
Rental operations expense	48,951	398	49,349
Administration expense	18,179	1	18,180
Total expenses	114,835	399	115,234
Annual deficit	(1,583)	(399)	(1,982)
Accumulated surplus (deficit), beginning of year	30,592	(133,583)	(102,991)
Accumulated surplus (deficit), end of year	\$ 29,009	\$ (133,982)	\$ (104,973)

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

3. Change in significant accounting policy (cont.)

	March 31, 2022, as originally reported	Adjustment required for PS 3280 Adoption	March 31, 2022 Restated
	(000's)	(000's)	(000's)
Statement of Change in Net Debt			
Annual deficit	\$ (1,583)	\$ (399)	\$ (1,982)
Amortization of tangible capital assets	4,627	399	5,026
Total changes in tangible capital assets	3,926	399	4,325
Net debt, beginning of year	(76,752)	(135,621)	(212,373)
Net debt, end of year	(74,452)	(135,621)	(210,073)
Statement of Cash Flows			
Annual deficit	(1,583)	(399)	(1,982)
Amortization of tangible capital assets	4,627	399	5,026
Note 12 Asset Retirement Obligations			
Balance March 31, 2022	-	135,621	135,621
Note 15 Tangible Capital Assets			
Rental properties			
Original cost	242,846	130,353	373,199
Accumulated amortization	204,262	128,725	332,987
Net book value	38,584	1,628	40,212
Office buildings			
Original cost	9,058	635	9,693
Accumulated amortization	5,858	624	6,482
Net book value	3,200	11	3,211
Total original cost	315,208	130,988	446,196
Total accumulated amortization	216,316	129,349	345,665
Total net book value	98,892	1,639	100,531
Note 20 Segmented Information by Object			
Amortization			
Rental operations	3,813	398	4,211
Administration	386	1	387
Total rental operations expense	48,951	398	49,349
Total administration expense	18,179	1	18,180
Total expenses	114,835	399	115,234
Annual deficit	\$ (1,583)	\$ (399)	\$ (1,982)

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

4. Accounts receivable

	2023	2022
	(000's)	(000's)
Harmonized sales tax receivable	\$ 1,707	\$ 1,406
Rents	1,733	985
Other	242	421
	3,682	2,812
Less: provision for doubtful accounts	(927)	(529)
	\$ 2,755	\$ 2,283

5. Land held for sale

	2023	2022
	(000's)	(000's)
Land held for sale, beginning of year	\$ 9	\$ 9
Land development costs incurred during the year	-	-
	9	9
Less: cost of earned sales recognized during 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.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

6. Due from government and other government organizations

	2023	2022
	(000's)	(000's)
CMHC	\$ 29,432	\$ 12,383
Province of Newfoundland and Labrador	6,990	9,017
Municipalities	256	222
	\$ 36,678	\$ 21,622

7. Loans receivable

	2023	2022
	(000's)	(000's)
Forgivable loans bearing no interest	\$ 66,714	\$ 72,763
Promissory notes bearing fixed interest rates ranging from 0.47% to 10.5%, repayable in blended monthly principal and interest payments with due dates ranging from April 2023 to February 2050. These notes are unsecured and can be retired prior to maturity.	4,732	4,805
Mortgages bearing fixed interest rates ranging from 0% to 1.7%, repayable in blended monthly principal and interest payments with due dates ranging from June 2031 to September 2040. These mortgages are secured and can be retired prior to maturity.	1,906	2,291
Less: provision for forgivable loans	(66,714)	(72,763)
Less: provision for doubtful accounts	(1,485)	(1,406)
	\$ 5,153	\$ 5,690

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

7. Loans receivable (cont.)

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.

8. 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 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, 2023, 21 agreements were in place for the transfer of land to municipalities at a carrying value of \$464,000 (2022 - \$522,000).

9. Accounts payable and accrued liabilities

	2023	2022
	(000's)	(000's)
Trade accounts payable	\$ 7,513	\$ 6,029
Salaries and benefits payable	235	153
Accrued leave	2,180	2,119
Liability for contaminated sites (Note 9(a))	877	30
Other	991	829
	\$ 11,796	\$ 9,160

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

9. Accounts payable and accrued liabilities (cont.)

(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 (2022 - \$0). 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, 2023. There are no estimated recoveries anticipated.

The Corporation also recognized an estimated environmental liability of \$30,000 related to soil remediation at Empire Avenue, St. John's (2022 - \$30,000). The nature of the liability is related to the removal of underground fuel storage tanks. Historical costs of previous work of this nature were used as a basis of measurement. No expenditures were incurred during the fiscal year ended March 31, 2023. 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:

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

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

10. 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% (2022 - 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, 2023 was \$1,505,054 (2022 - \$1,496,090).

(b) Retirement and other employee future benefit liabilities

	2023			2022	
	Retirement life insurance and health care benefits (000's)	Severance pay (000's)	Accumulating Non-vesting Sick leave benefits (000's)	Total Employee Benefits (000's)	Total Employee Benefits (000's)
Accrued employee future benefit obligations, end of year	\$ 21,753	\$ 80	\$ 697	\$ 22,530	\$ 20,597
Unamortized actuarial gain (loss), end of year	2	-	(20)	(18)	2,802
Employee future benefits liability, end of year	\$ 21,755	\$ 80	\$ 677	\$ 22,512	\$ 23,399

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

10. Employee future benefits (cont.)

(c) Change in employee future benefits liability

	2023			2022	
	Retirement life insurance and health care benefits (000's)	Severance pay (000's)	Accumulating Non-vesting Sick leave benefits (000's)	Total Employee Benefits (000's)	Total Employee Benefits (000's)
Current period benefit cost	\$ -	\$ -	\$ 86	\$ 86	\$ 84
Interest on accrued benefit obligation	920	-	35	955	940
Amortization of actuarial (gains) losses	(1,119)	-	35	(1,084)	(853)
Employee future benefits expense (recovery)	(199)	-	156	(43)	171
Less: benefits payments	(553)	(46)	(245)	(844)	(615)
Change in employee future benefits liability	\$ (752)	\$ (46)	\$ (89)	\$ (887)	\$ (444)

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

10. Employee future benefits (cont.)

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

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, 2023 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, 2023, are based on valuations performed as at March 31, 2021.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

10. 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:

	2023	2022
Long-term inflation rate	1.75%	1.75%
Compensation increase	2.50%	2.50%
Discount rate	4.75%	4.75%
Health care cost trend	3.50%	3.50%

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 twelve years, 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.

11. Due to government and other government organizations

	2023	2022
	(000's)	(000's)
CMHC - accrued interest payable	\$ 652	\$ 685
Federal government business enterprise	1	1
Provincial government	2	6
Provincial government business enterprise	16	17
Municipalities	775	842
	\$ 1,446	\$ 1,551

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

12. 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 years ended March 31, 2022 and March 31, 2023 there were no additions of assets with associated asset retirement obligations and no expenditure related to the retirement of assets. There was a \$197,000 settlement of asset retirement obligations in the year ended March 31, 2023 resulting from buildings impacted by fires. A summary of the liability can be found in the table below:

	Asbestos (000's)	Oil Tanks (000's)	Other (000's)	Total (000's) (Note 3)
Balance March 31, 2021	-	-	-	-
Adjustment on initial application of PS 3280	\$ 130,412	\$ 4,633	\$ 576	\$ 135,621
Adjusted Balance, April 1, 2021	130,412	4,633	576	135,621
Additions	-	-	-	-
Settlement of obligations	-	-	-	-
Balance, March 31, 2022	130,412	4,633	576	135,621
Additions	-	-	-	-
Settlement of obligations	(197)	-	-	(197)
Balance, March 31, 2023	\$ 130,215	\$ 4,633	\$ 576	\$ 135,424

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

13. 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	\$ 22,292	\$ 8,940	\$ (10,720)	\$ 20,512
CMHC Provincial Home Repair Program	4,576	3,870	(3,390)	5,056
CMHC Rent Supplement Program	929	-	(163)	766
Seniors Resource Centre Association of Newfoundland and Labrador	206	140	(152)	194
Province of Newfoundland and Labrador	-	4,136	-	4,136
	\$ 28,003	\$ 17,086	\$ (14,425)	\$ 30,664

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, 2023, CMHC funding in the amount of \$26,344,000 (2022 - \$27,797,000) was received or receivable but not earned.

Deferred revenue from Seniors Resource Centre Association of Newfoundland and Labrador Inc. relates to the unearned balance of funds from Seniors Resource Centre Association of Newfoundland and Labrador Inc. as outlined under a contribution agreement. The deferred revenue will be recognized as revenue when the related expenses are incurred. As of March 31, 2023, Seniors Resource Centre Association of Newfoundland and Labrador Inc. funding in the amount of \$194,000 (2022 - \$206,000) was received but not earned.

Deferred revenue from the Province relates to the unearned balance of funds from the Province 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, 2023, Province funding in the amount of \$4,136,000 (2022 - \$0) was receivable but not earned.

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

14. Long-term debt

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

	2023 (000's)	2022 (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 7.88% to 19.75%, repayable in blended quarterly principal and interest payments of \$2,815,592 with due dates ranging from January 2025 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.	\$ 55,949	\$ 59,566
CMHC fixed rate term debentures, at variable interest rates of 0.47% to 2.27% repayable in blended monthly installments of \$157,431, with final due dates ranging from April 2023 to January 2030. This debt is not secured and can be retired prior to maturity.	4,697	6,699
CMHC forgivable loan arising under the CMHC Federal Lands Initiative with an anticipated substantial project completion date of March 15, 2026.	1,215	-
	\$ 61,861	\$ 66,265

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

	(000's)
2024	\$ 5,555
2025	5,606
2026	5,548
2027	5,493
2028	5,891
2029 - 2038	32,553
Forgivable loan	<u>1,215</u>
	<u>\$ 61,861</u>

Interest expense for the year on outstanding debt totaled \$7,861,000 (2022 - \$8,210,000) and is included in interest and bank charges in the segmented information by object (Note 20).

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

15. Tangible capital assets

March 31, 2023

	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	\$ 56,443	\$ 373,199	\$ 9,693	\$ 246	\$ 86	\$ 1,508	\$ 2,953	\$ 2,068	\$ 446,196
Additions	1,275	2,671	-	-	-	38	-	471	4,455
Disposals	-	(7)	-	-	-	-	-	(340)	(347)
Write-downs	-	(511)	-	-	-	-	-	-	(511)
Closing balance	\$ 57,718	\$ 375,352	\$ 9,693	\$ 246	\$ 86	\$ 1,546	\$ 2,953	\$ 2,199	\$ 449,793
Accumulated amortization									
Opening balance	\$ -	\$ 332,987	\$ 6,482	\$ 240	\$ 86	\$ 1,431	\$ 2,723	\$ 1,716	\$ 345,665
Amortization	-	4,013	222	2	-	45	112	190	4,584
Disposals	-	-	-	-	-	-	-	(340)	(340)
Write-downs	-	(511)	-	-	-	-	-	-	(511)
Closing balance	-	336,489	6,704	242	86	1,476	2,835	1,566	349,398
Net book value	\$ 57,718	\$ 38,863	\$ 2,989	\$ 4	\$ -	\$ 70	\$ 118	\$ 633	\$ 100,395

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

15. Tangible capital assets (cont.)

March 31, 2022

	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)
		Restated (Note 3)	Restated (Note 3)						Restated (Note 3)
Cost									
Opening balance	\$ 56,276	\$ 372,869	\$ 9,693	\$ 246	\$ 86	\$ 1,453	\$ 2,884	\$ 2,016	\$ 445,523
Additions	167	330	-	-	-	55	69	80	701
Disposals	-	-	-	-	-	-	-	(28)	(28)
Write-downs	-	-	-	-	-	-	-	-	-
Closing balance	\$ 56,443	\$ 373,199	\$ 9,693	\$ 246	\$ 86	\$ 1,508	\$ 2,953	\$ 2,068	\$ 446,196
Accumulated amortization									
Opening balance	\$ -	\$ 328,519	\$ 6,260	\$ 237	\$ 86	\$ 1,375	\$ 2,616	\$ 1,574	\$ 340,667
Amortization	-	4,468	222	3	-	56	107	170	5,026
Disposals	-	-	-	-	-	-	-	(28)	(28)
Write-downs	-	-	-	-	-	-	-	-	-
Closing balance	-	332,987	6,482	240	86	1,431	2,723	1,716	345,665
Net book value	\$ 56,443	\$ 40,212	\$ 3,211	\$ 6	\$ -	\$ 77	\$ 230	\$ 352	\$ 100,531

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
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15. Tangible capital assets (cont.)

Cost of rental properties at March 31, 2023, includes work in progress of \$3,816,000 (2022 - \$1,591,000). 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 (2022 - \$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.

16. Prepaid expenses

Prepaid expenses consist of:

	2023	2022
	(000's)	(000's)
Property taxes and other municipal fees	\$ 3,637	\$ 3,518
Insurance costs	263	256
Workers' compensation fees	232	242
Software licenses	112	90
Rent	6	6
	\$ 4,250	\$ 4,112

17. 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, 2023, the amount of the principal outstanding under this guarantee, and limit of the guarantee, was \$11,884,000 (2022 - \$15,673,000). There was no provision for losses during the year on the loan guarantees (2022 - \$0).

(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
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18. 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) and the CMHC – Newfoundland and Labrador Bilateral Agreement under the 2017 National Housing Strategy. The contractual rights of the Corporation for future assets and revenues are \$195,814,000 (2022 - \$226,746,000) for the Social Housing Agreement (1997) and \$120,313,000 (2022 - \$137,717,000) for CMHC-Newfoundland and Labrador Bilateral Agreement.

19. Contractual obligations

	2023	2022
	(000's)	(000's)
Uncompleted purchase and construction contracts	\$ 4,539	\$ 7,377
Commitments under lending programs	5,495	6,009
Commitments under grant programs	5,738	5,542
	\$ 15,772	\$ 18,928

Contractual obligations are those to outside organizations and individuals in respect of contracts entered into on or before March 31, 2023. These contractual obligations will become liabilities when the terms of the contracts are met.

20. 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, 2023

20. Segmented information by object (cont.)

	Rental operations		Partner managed housing		Affordable housing investments		Rent supplement		Land development		Administration		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(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)
		Restated (Note 3)										Restated (Note 3)		Restated (Note 3)
Revenues														
Province of Newfoundland and Labrador operating grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$54,904	\$47,918	\$54,904	\$47,918
CMHC revenue	-	-	-	-	18,348	8,430	171	171	-	-	30,988	31,695	49,507	40,296
Other government sources	248	214	-	-	183	195	-	-	-	-	-	-	431	409
Rent	23,371	23,493	-	-	-	-	-	-	-	-	-	-	23,371	23,493
Interest	-	-	-	-	-	-	-	-	-	-	817	388	817	388
Land sales	-	-	-	-	-	-	-	-	6	-	-	-	6	-
Gain on sale of tangible capital assets	89	2	-	-	-	-	-	-	-	-	-	-	89	2
Profit from land sales by Municipalities	-	-	-	-	-	-	-	-	61	29	-	-	61	29
Other	-	-	-	-	-	-	-	-	-	-	660	717	660	717
	23,708	23,709	-	-	18,531	8,625	171	171	67	29	87,369	80,718	129,846	113,252
Expenses														
Rental property operating costs	29,273	22,523	-	-	-	-	-	-	-	-	-	-	29,273	22,523
Amortization	3,775	4,211	428	428	-	-	-	-	-	-	381	387	4,584	5,026
Grants and subsidies	8,613	8,921	5,734	6,024	39,111	30,392	13,191	10,796	-	-	-	-	66,649	56,133
Other administration	-	-	-	-	-	-	-	-	866	10	2,534	2,487	3,400	2,497
Salaries and benefits	4,497	4,920	-	-	-	-	-	-	-	-	14,989	14,495	19,486	19,415
Interest and bank charges	7,935	8,367	9	10	-	-	-	-	-	-	847	811	8,791	9,188
Valuation allowances	715	407	-	-	166	45	-	-	-	-	-	-	881	452
	54,808	49,349	6,171	6,462	39,277	30,437	13,191	10,796	866	10	18,751	18,180	133,064	115,234
Annual (deficit) surplus	\$(31,100)	\$(25,640)	\$(6,171)	\$(6,462)	\$(20,746)	\$(21,812)	\$(13,020)	\$(10,625)	\$(799)	\$ 19	\$68,618	\$62,538	\$(3,218)	\$(1,982)

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NOTES TO FINANCIAL STATEMENTS
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21. Affordable Housing Investments by Program

	2023	2022
	(000's)	(000's)
Emergency Housing	\$ 11,865	\$ 6,017
Transition Housing	9,162	9,012
Supportive Living	7,938	7,862
Home Repair & Modification	5,332	5,019
Home Energy Savings	2,204	954
Provincial Housing & Homelessness Partnership	1,498	125
Hurricane Fiona Rent Relief	819	-
Affordable Housing	475	1,304
Down Payment Assistance	(16)	24
Provincial Homelessness Fund	-	120
	\$ 39,277	\$ 30,437

22. Related party transactions

(a) Transactions with related parties

	2023	2022
	(000's)	(000's)
REVENUES		
Province of Newfoundland and Labrador operating grant		
Consolidated Revenue Fund	\$ 54,904	\$ 47,918
Rent		
Consolidated Revenue Fund	160	160
Labrador-Grenfell Regional Health Authority	13	13
EXPENSES		
Rental operations		
Consolidated Revenue Fund	91	108
Nalcor Energy	71	58
Partner managed housing		
Eastern Regional Health Authority	666	516
Western Regional Health Authority	230	280
Central Regional Health Authority	164	133

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

	2023 (000's)	2022 (000's)
Expenses (cont.)		
Labrador-Grenfell Regional Health Authority	76	41
Affordable housing investments		
Eastern Regional Health Authority	175	175
Administration		
Consolidated Revenue Fund	230	230
Memorial University	9	-
College of the North Atlantic	2	-
Nalcor Energy	1	1

(b) Balances due from and to related parties

Due from government and other government organizations

Consolidated Revenue Fund	\$ 6,970	\$ 8,968
Labrador-Grenfell Regional Health Authority	(2)	33
Central Regional Health Authority	-	9
Eastern Regional Health Authority	22	4
Western Regional Health Authority	-	3

Due to government and other government organizations

Consolidated Revenue Fund	-	1
Nalcor Energy	16	17
Labrador-Grenfell Regional Health Authority	-	5
College of the North Atlantic	2	-

23. Trust under administration

For the year ended March 31, 2023, the balance of funds held in trust was \$3,206,000 (2022 - \$3,206,000). 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, 2023

24. Statement of cash flows - other

	2023	2022
	(000's)	(000's)
Accounts receivable	\$ (870)	\$ 441
Accounts receivable - provision for doubtful accounts	398	143
Due from government and other government organizations	(15,056)	3,766
Accounts payable and accrued liabilities	2,636	1,833
Due to government and other government organizations	(105)	(533)
Inventories held for use	(21)	(17)
Prepaid expenses	(138)	(26)
	\$ (13,156)	\$ 5,607

25. 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, 2023

25. Financial Risk Management (cont.)

Credit risk (cont.)

An estimated impairment of accounts receivable for \$927,000 (2022 - \$529,000) has been provided for through an allowance for decline in value, as disclosed in Note 4. An estimated impairment of loans receivable for \$1,485,000 (2022 - \$1,406,000) has been provided for through an allowance for decline in value, as disclosed in Note 7. 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, 2023, the aging of loans receivable that are past due but not impaired, are as follows:

	(000's)
30 days	\$ 73
60 days	115
90 days	22
Over 90 days	<u>30</u>
	<u>\$ 240</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, 2023, 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 \$36,000 (2022 - \$37,000). 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 ended March 31, 2023, the increase/decrease in annual surplus for each one point change in interest rates on the CMHC fixed rate term debentures amounts to \$34,000 (2022 - \$42,000).

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

25. Financial Risk Management (cont.)

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 14. 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 (2022 - \$3,000,000), which is unused as at March 31, 2023.

26. 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.

27. 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.

28. 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.

