

Toronto
Community
Housing



Consolidated Financial Statements of **Toronto Community Housing Corporation**

And Independent Auditor's Report thereon
Year ended December 31, 2025

A message from the **Chief Financial Officer**

The consolidated financial statements of the Toronto Community Housing Corp. have been prepared in accordance with the Generally Accepted Accounting Principles of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in the note disclosures.

Management is responsible for the integrity, objectivity and accuracy of the consolidated financial statements including the note disclosures. To meet its responsibility, management maintains appropriate internal controls designed to provide reasonable assurance on the safeguarding of assets and the accuracy and reliability of the financial information.

Building Investment, Finance and Audit Committee (BIFAC) oversees management's responsibility for the financial reporting by reviewing and approving the consolidated financial statements and recommending approval to the Board of Directors.

The consolidated financial statements have been audited by TCHC's external auditors, KPMG LLP. The Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

Lily Chen
Chief Financial Officer
Toronto Community Housing



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Toronto Community Housing Corporation

Opinion

We have audited the consolidated financial statements of Toronto Community Housing Corporation (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of remeasurement gains for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025, and its consolidated results of operations, its consolidated changes in net assets, its consolidated remeasurement of gains and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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



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

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the annual report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the annual report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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



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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 28, 2026

	2025	2024
Liabilities and Net Assets		
Current liabilities:		
Bank loan and bank indebtedness (notes 10 and 20(c))	\$ 125,100	\$ 18,500
Accounts payable and accrued liabilities (notes 5(a), 6, 7 and 20(c))	224,601	265,998
Tenants' deposits and rents received in advance (note 20(c))	18,875	18,554
Deferred revenue	36,264	34,491
Project financing and debenture loans (note 13)	70,986	68,469
	<u>475,826</u>	<u>406,012</u>
Deferred revenue on long-term leases	22,123	23,085
Deferred revenue on land sale	3,500	3,500
Employee benefits (note 12)	71,288	65,851
Long-term payable TSHC (note 6)	3,968	4,015
Asset retirement obligations (note 11)	476,616	476,616
Project financing and debentures loans (note 13)	1,920,782	1,871,328
Deferred capital contributions (note 14(a))	1,839,225	1,671,084
	<u>4,813,328</u>	<u>4,521,491</u>
Net assets:		
Share capital:		
Authorized and issued:		
100 common shares	1	1
Internally restricted funds (note 16)	376,347	326,584
Accumulated remeasurement gains	6,571	26,866
Contributed surplus	5,136	5,136
Unrestricted surplus	85,738	171,366
	<u>473,793</u>	<u>529,953</u>
Contingencies (note 17)		
Commitments and contractual obligations (note 19)		
Subsequent event (note 21)		
	<u>\$ 5,287,121</u>	<u>\$ 5,051,444</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

DocuSigned by:

 Adele Imrie, Director
 Director, Board Chair 4/28/2026

 Nick Macrae, BIFAC Chair 4/28/2026

TORONTO COMMUNITY HOUSING CORPORATION

Consolidated Statement of Operations
(In thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Subsidies (note 5(c))	\$ 410,832	\$ 342,830
Rent:		
Residential	392,593	374,784
Commercial	20,498	20,066
Amortization of deferred capital contributions (note 14(a))	95,143	93,101
Parking, laundry and cable fees	18,009	17,959
Investment income	55,712	26,108
Joint venture (note 3)	595	2,912
Gain on sale of housing projects, land and other capital assets (note 18)	11,950	19,341
Asset retirement obligation settlement (note 11)	—	2,665
Plant and other (note 6)	18,556	18,501
	1,023,888	918,267
Expenses:		
Operating and maintenance	376,810	279,466
Depreciation	290,542	280,692
Utilities	146,734	134,737
Corporate services	96,537	83,547
Interest (note 13)	78,726	78,654
Community safety services	42,945	39,391
Municipal taxes	21,267	21,471
Plant and other	6,192	6,091
Other	—	719
	1,059,753	924,768
Deficiency of revenue over expenses	\$ (35,865)	\$ (6,501)

See accompanying notes to consolidated financial statements.

TORONTO COMMUNITY HOUSING CORPORATION

Consolidated Statement of Changes in Net Assets
(In thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	Share capital	Internally restricted funds	Contributed surplus	Unrestricted surplus	Accumulated remeasurement gains	Total
2025						
Net assets, January 1, 2025	\$ 1	\$ 326,584	\$ 5,136	\$ 171,366	\$ 26,866	\$ 529,953
Deficiency of revenue over expenses	—	—	—	(35,865)	—	(35,865)
Net change in unrealized losses on portfolio investments	—	—	—	—	(20,295)	(20,295)
Change in internally restricted funds (note 16)	—	49,763	—	(49,763)	—	—
Net assets, December 31, 2025	\$ 1	\$ 376,347	\$ 5,136	\$ 85,738	\$ 6,571	\$ 473,793
	Share capital	Internally restricted funds	Contributed surplus	Unrestricted surplus	Accumulated remeasurement gains	Total
2024						
Net assets, January 1, 2024	\$ 1	\$ 280,038	\$ 5,136	\$ 224,413	\$ 7,483	\$ 517,071
Deficiency of revenue over expenses	—	—	—	(6,501)	—	(6,501)
Net change in unrealized gains on portfolio investments	—	—	—	—	19,383	19,383
Change in internally restricted funds (note 16)	—	46,546	—	(46,546)	—	—
Net assets, December 31, 2024	\$ 1	\$ 326,584	\$ 5,136	\$ 171,366	\$ 26,866	\$ 529,953

See accompanying notes to consolidated financial statements.

TORONTO COMMUNITY HOUSING CORPORATION

Consolidated Statement of Remeasurement Gains
(In thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 26,866	\$ 7,483
Net change in unrealized gains (losses) attributable to portfolio investments	(20,295)	19,383
Accumulated remeasurement gains, end of year	\$ 6,571	\$ 26,866

See accompanying notes to consolidated financial statements.

TORONTO COMMUNITY HOUSING CORPORATION

Consolidated Statement of Cash Flows (In thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash and cash equivalents provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (35,865)	\$ (6,501)
Items not involving cash:		
Amortization of deferred capital contributions (note 14(a))	(95,143)	(93,101)
Depreciation	290,542	280,692
Gain on sale of housing projects, land and other capital assets (note 18)	(11,950)	(19,341)
Imputed interest on loan (note 13)	40	40
Joint venture income (note 3)	(595)	(2,912)
Employee benefit obligations (note 12)	5,390	(3,504)
Asset retirement obligation settlement (note 11)	—	(2,909)
Change in non-cash operating working capital:		
Accounts receivable	24,216	39,486
Prepaid expenses	2,746	(1,623)
Accounts payable and accrued liabilities	10,928	21,542
Tenants' deposits and rents received in advance	321	3,499
Deferred revenue	(5,189)	(2,837)
Cash provided by operating activities	185,441	212,531
Financing activities:		
Borrowing of bank loan (note 10)	106,600	(92,000)
Decrease in long-term receivable	21,270	1,000
Deferred financing cost (note 13)	259	239
New project financing and debenture loans (note 13)	119,430	99,341
Repayment of project financing (note 13)	(67,756)	(64,027)
Restricted grants for housing projects	106,897	273,070
Cash provided by financial activities	286,700	217,623
Capital activities:		
Acquisition of housing projects	(118,698)	(89,376)
Proceeds on sale of housing projects (note 18)	157	641
Proceeds on sale of land (note 18)	—	9,480
Improvements to housing projects	(287,216)	(320,808)
Cash used in capital activities	(405,757)	(400,063)
Investing activities:		
Issuance of loans receivable	—	(3,138)
Increase in investments	(61,170)	(25,631)
Contributions to joint ventures and shared costs (note 3)	(72)	(67)
Distributions from joint ventures (note 3)	2,213	5,356
Decrease in restricted cash (note 13(c))	(404)	(793)
Cash used in investing activities	(59,433)	(24,273)
Increase in cash and cash equivalents	6,951	5,818
Cash and cash equivalents, beginning of year	90,885	85,067
Cash and cash equivalents, end of year	\$ 97,836	\$ 90,885
Supplemental cash flow information:		
Change in accrued capital expenditures	\$ 38,588	\$ 18,182
Other non-cash expenditures	127	528
Issuance of loans receivable (note 4(c))	—	17,913

See accompanying notes to consolidated financial statements.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year ended December 31, 2025

Toronto Community Housing Corporation was incorporated under the provisions of the Ontario Business Corporations Act on December 14, 2000 as Metro Toronto Housing Corporation. On October 9, 2001, articles of amendment were filed to affect a name change to Toronto Community Housing Corporation ("TCHC"). TCHC is wholly owned by the City of Toronto (the "City"). The City includes all organizations that are accountable for administration of their financial affairs and resources to City Council and are controlled by the City. In establishing TCHC, the City approved a Shareholder Direction that set guiding principles, high-level objectives and expected accountability to the City. The Shareholder Direction establishes TCHC as operating at arm's length from the City, under the direction of an independent Board of Directors.

TCHC owns and manages housing for low and moderate income tenants.

TCHC is a municipally-owned corporation as it is owned by the City of Toronto and, as such, is exempt from income taxes under paragraph 149(1) (c) of the Income Tax Act (Canada).

1. Significant accounting policies:

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS"), including accounting standards that apply to government not-for-profit organizations. The significant accounting policies are summarized below:

(a) Basis of consolidation:

The consolidated financial statements include the assets, liabilities and results of operations of TCHC and its wholly owned subsidiaries:

- 2001064 Ontario Inc.
- Alexandra Park Development Corporation ("APDC")
- Allenbury Gardens Development Corporation ("AGDC")
- Leslie Nymark Development Corporation ("LNDC")
- Railway Lands Development Corporation ("RLDC")
- Regent Park Development Corporation ("RPDC")
- Regent Park Development Corporation 2 ("RPDC2")
- Regent Park Energy Inc. ("RPEI")
- Toronto Community Housing Enterprises Inc. ("TCHEI")

All intercompany transactions and balances have been eliminated.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

1. Significant accounting policies (continued):

The consolidated financial statements also include TCHC's interest in the following joint ventures, which have been accounted for using the modified equity method:

- Alexandra Park Phase I Partnership ("APPI")
- Alexandra Park Phase II Partnership ("APPII")
- Allenbury Gardens Revitalization General Partnership ("AGP")
- Dundas and Parliament Development Corporation ("DPDC")
- Leslie Nymark Partnership ("LNP")
- Library District Inc. ("LDI")
- Oak Street Residences Partnership ("OSRP")
- Parliament and Gerrard Development Corporation ("PGDC")

Under the modified equity method, investments are initially valued at cost and the carrying value is adjusted thereafter to include TCHC's contributions and its prorated share of net income (loss) less distributions received.

(b) Revenue recognition:

TCHC follows the Public Accounting Standard PS 3400, Revenues. The standard establishes accounting and reporting on revenue. Rent, parking, laundry, cable fees and other revenue are recorded when the related performance obligation has been satisfied and collection is reasonably assured.

(c) Contributions and deferred capital contributions:

TCHC follows the deferral method of accounting for government contributions sections 4410 Contributions - Revenue Recognition and 4400 Contributions Receivable as per Accounting Standards for Not-for-Profit Organizations.

Unrestricted contributions, which include subsidies, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

1. Significant accounting policies (continued):

Externally restricted contributions are initially recognized as deferred revenue and are recorded in revenue in the year in which the related expenses are recognized. Externally restricted contributions which have been restricted for capital purposes are initially recognized as deferred capital contributions and are amortized into income on the same basis as the related capital asset.

(d) Financial instruments, investments and investment income:

At initial recognition, TCHC records financial instruments at the transaction price. Transaction costs are expensed as incurred. Financial instruments are classified in the following categories, depending on the purpose for which the instruments were acquired:

	Category	Measurement
Cash and cash equivalents and restricted cash	Cash and cash equivalents	Amortized cost
Investments	Portfolio investments	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Receivable from the City of Toronto	Loans and receivables	Amortized cost
Loans receivable	Loans and receivables	Amortized cost
Grants receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Financial liabilities	Amortized cost
Tenants' deposits	Financial liabilities	Amortized cost
Bank loan and bank indebtedness	Financial liabilities	Amortized cost
Project financing and debenture loans	Financial liabilities	Amortized cost
Long-term payable TSHC	Financial liabilities	Amortized cost

The value of investments recorded in the consolidated financial statements is determined as follows:

- short-term notes and treasury bills - cost plus accrued income, which approximates fair value;
- publicly traded bonds - most recent bid prices as at year end in an active market; and
- investments in pooled funds - valued at their reported net asset value per unit to reflect fair value.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

1. Significant accounting policies (continued):

Investment income includes interest, pooled fund distributions and realized gains and losses. Investment income earned on internally restricted funds is recognized in the consolidated statement of operations and is reflected in the consolidated statement of changes in net assets. The unrealized gain or loss from investments are recorded as remeasurement gains and losses on the consolidated statement of financial position, statement of changes in net assets and statement of remeasurement gains.

Up to July 2025, investment income and fair value adjustments generated from the investments that were apportioned to various internally restricted funds will be allocated as follows:

- Annual investment return of up to 3.13% on the sinking fund is allocated to the sinking fund;
- Annual investment return in excess of 3.13% is allocated to the working capital reserve; and
- A claw back from the working capital reserve will be made in a year where the returns are less than 3.13% for allocation to the sinking fund.

Due to change in investment approach, the allocation to various internally restricted funds is not required.

(e) Financing costs:

Financing costs of the debenture loans and project financing are reported as a reduction from the carrying value of the related debt and are amortized using the effective interest rate method over the terms of the debt to which they relate.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(f) Housing projects acquired and developed and improvements to housing projects:

Housing projects acquired and developed are recorded at cost less accumulated depreciation. Cost includes the original cost of land, buildings, asset retirement obligations, other related costs (including capitalized interest) and net operating expenses during the development period until the asset is substantially complete. The costs of major improvements necessary to renovate and refurbish buildings are also included in housing project costs. Depreciation is calculated using the straight-line method and is based on the estimated useful lives of the buildings up to a maximum of 50 years.

When a capital asset no longer has any long-term service potential to TCHC, the excess of its net carrying value over any residual value is recognized as an expense in the consolidated statement of operations. Any write downs are not reversed.

Guaranteed equity units consist of rights that include membership in the equity corporation and the right to occupy a particular suite in the building, which were sold to seniors under terms guaranteeing the repurchase of each unit by TCHC at the purchase price plus, for some, an inflation factor related to the consumer price index. This asset is reflected in the consolidated statement of financial position as a housing project, with an associated liability for the repurchase obligation. No gain or loss is recorded on sale or repurchase of a guaranteed equity unit.

Improvements to housing projects are recorded at cost with depreciation calculated using the straight-line method, based on the estimated useful lives of the assets, as follows:

Improvements to land and buildings	4 to 25 years
Furniture and equipment	4 to 15 years
Leasehold improvements	Over the term of the lease

One-half year of the depreciation expense is recorded in the year of acquisition.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(g) Asset retirement obligations:

Asset retirement obligations ("ARO") are recorded in the period during which a legal obligation associated with the retirement of a capital assets is incurred and when a reasonable estimate of this amount can be made. The asset retirement obligation is initially measured based on internal management assessments and/or third-party estimates and engineering reports. Asset retirement obligations relate to the asbestos at TCHC buildings and are depreciated over their estimated remaining useful lives, on a straight-line basis. A liability continues to be recognized until it is settled or otherwise extinguished. Due to the uncertainty as to the future retirement date of the buildings, TCHC has chosen not to discount the future liability.

The estimated amounts of future costs to retire the assets are reviewed annually and adjusted to reflect the best estimate of the liability. In subsequent years, the liability will be adjusted for changes resulting from the passage of time and revision to either the timing or the amount of the original estimate of the undiscounted cash flows. These changes are recognized as an increase or decrease in the carrying amount of the asset retirement obligation, with a corresponding adjustment to the carrying amount of the related assets. If the related asset is no longer in productive use, all subsequent changes in the estimate of the liability for asset retirement obligations are recognized as an expense in the period incurred.

(h) Employee related costs:

TCHC has adopted the following policies with respect to employee benefit plans:

- TCHC's contributions to a multi-employer, defined benefit pension plan and other post-employment benefit plans are expensed when incurred;
- Post employment benefits include WSIB and continuation of income replacement and benefits to disabled employees and income replacement are actuarially determined and are accounted for on a terminal basis.
 - Costs include projected future income payments, health-care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis;
 - Actuarial gains and losses are recognized as incurred.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

1. Significant accounting policies (continued):

- Non-Pension Post retirement benefits includes medical, dental and life insurance benefits at retirement, accumulating sick leave and termination benefits.
- Termination benefits and accumulating sick leave do not vest or accumulate are recognized when an event that obligates TCHC occurs and includes projected future payments calculated at present value basis;
- Medical, dental, and life insurance benefits at retirement are actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages of employees, salary escalation, expected health-care costs and plan investment performance.
- Actuarial gains and losses are amortized over the expected average remaining service lives;
- The most recent actuarial valuation for Non-Pension post retirement and post employment benefits was completed as at December 31, 2024. The next actuarial valuation is scheduled to be performed on December 31, 2027. The discount rate used is the average expected borrowing rate of TCHC over the period during which benefits are expected to be earned. Past service costs from plan amendments are expensed as incurred.
- Supplemental employee retirement plan provides a supplementary benefit to eligible employees to match the total pension benefit on retirement would have been the same as that received had the employee been able to transfer his or her pension to OMERS. The most recent actuarial valuation was completed as at December 31, 2023. The next actuarial valuation is scheduled to be performed on December 31, 2026.

(i) Measurement uncertainty and use of estimates:

The preparation of the consolidated financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting year. Significant estimates include determining the amounts for future employee benefits, the allowance for uncollectible accounts receivable, contingent liabilities and asset retirement obligations. Actual results could differ from those estimates.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(j) Liability for contaminated sites:

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. A liability for remediation of contaminated sites is recognized when: TCHC is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate for the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

TCHC is responsible for remediation cost on contaminated soil for TCHC properties. The cost incurred for soil contamination is recovered from the Province. The estimated amount of remediation cost and net of recoveries for 2025 is \$375 (2024 - \$6,170). The estimated liability as a result of future remediation costs can not be reasonably estimated as of December 2025

(k) Capitalization policy:

TCHC capitalization policy is to capitalize assets and liabilities above \$5K. This policy is applied to reduce administrative burden and improve efficiency.

2. Investments:

The 2025 investments comprised \$349,640 (2024 - \$309,886) in units of money market funds, short-term fixed income securities, investment-grade corporate bonds and global equity funds, which are internally restricted. The underlying investments are considered to be highly liquid.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

2. Investments (continued):

The 2024 investments consist of \$309,886 of pooled equity funds, fixed income securities and high interest rate saving bank account, which are internally restricted funds.

Type of Investments	Capital risk reserve	Sinking fund	Working capital	2025	2024
Cash and Cash Equivalents	\$ 10	\$ 199	\$ 93	\$ 302	\$ 158,260
Money Market Fund	1,006	5,443	1,787	8,236	—
Overall Short-Term Bonds	22,947	13,242	40,742	76,931	—
Investment Grade					
Corporate Bonds	21,621	78,612	38,196	138,429	—
Global Equity	8,760	101,577	15,405	125,742	—
Short Duration Fixed Income	—	—	—	—	39,231
Pooled Funds	—	—	—	—	112,395
	\$ 54,344	\$ 199,073	\$ 96,223	\$ 349,640	\$ 309,886

The following classification system is used to describe the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - market based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate, based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's-length transaction.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

2. Investments (continued):

The following table illustrates the classification of TCHC's financial instruments that are measured at fair value within the fair value hierarchy:

2025	Level 1		Level 2		Level 3		Total
Investments and restricted investments	\$	349,640	\$	–	\$	–	\$ 349,640

2024	Level 1		Level 2		Level 3		Total
Investments and restricted investments	\$	156,864	\$	40,627	\$	112,395	\$ 309,886

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)

(In thousands of dollars)

Year ended December 31, 2025

3. Investments in joint ventures and other interests:

The total investment in joint ventures is \$1,448 in 2025 (2024 - \$2,994) and a schedule of the investments is shown below:

									2025	2024
	DPDC	PGDC	LDI	AGP	APPI	APPII	LNP	OSRP	Total	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
Balance, January 1, per joint venture	\$ 1,779	(1,151)	\$ 67	\$ 3,480	\$ 370	\$ 15,241	\$ 1,084	\$ —	\$ 20,870	\$ 23,247
Net income	365	460	1	193	217	(292)	(349)	—	595	2,912
Contributions	72	—	—	—	—	—	—	—	72	67
Distributions	(425)	(335)	(68)	(1,385)	—	—	—	—	(2,213)	(5,356)
Balance, December 31, per joint venture	1,791	(1,026)	—	2,288	587	14,949	735	—	19,324	20,870
Exchange amount of land transferred to joint venture	(112)	—	—	—	—	(17,910)	—	—	(18,022)	(18,022)
Carrying value of land transferred to joint venture	22	—	—	—	—	124	—	—	146	146
Balance, December 31	\$ 1,701	\$ (1,026)	\$ —	\$ 2,288	\$ 587	\$ (2,837)	\$ 735	\$ —	\$ 1,448	\$ 2,994

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)

(In thousands of dollars)

Year ended December 31, 2025

3. Investments in joint ventures and other interests (continued):

									2025	2024
	DPDC	PGDC	LDI	AGP	APPI	APPII	LNP	OSRP	Total	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
Joint ventures' assets, liabilities and cash flows at 100% share										
Total assets	\$ 5,796	\$ 11,266	\$ —	\$ 8,113	\$ 1,202	\$ 161,375	\$ 2,751	\$ 7,029	\$ 197,532	\$ 158,660
Total liabilities	2,224	13,760	—	762	29	132,994	1,280	425	151,474	112,940
Cash flow from (used in) operating activities	\$ 694	\$ 1,206	\$ —	\$ (190)	\$ 288	\$ (735)	\$ (1,063)	\$ (4,733)	\$ (4,533)	\$ (1,638)
Cash flow from (used in) financing activities	(652)	(1,268)	(125)	(4,815)	—	—	—	5,365	(1,495)	(11,966)
Cash flow from investing activities	—	28	—	1,770	—	—	—	—	1,798	91
Net income per joint venture	\$ 365	\$ 460	\$ 1	\$ 193	\$ 217	\$ (292)	\$ (349)	\$ —	\$ 595	\$ 2,912
Net income per TCHC	\$ 365	\$ 460	\$ 1	\$ 193	\$ 217	\$ (292)	\$ (349)	\$ —	\$ 595	\$ 2,912

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

3. Investments in joint ventures and other interests (continued):

- (a) On October 31, 2006, TCHC's wholly owned subsidiary, RPDC, entered into a co-tenancy agreement with a developer for the construction of certain properties in Regent Park. The co-tenancy operates through a nominee corporation, DPDC. The value of RPDC's equity investment in DPDC differs from the balance reported by the co-tenant. This difference is due to RPDC recording contributions of land to DPDC at the carrying value of the land whereas DPDC has recorded the contributed land at an exchange amount that has been agreed to by the two co-tenants. The difference between the exchange amount and the carrying value of the land of \$89 (2024 - \$89) will be recognized on the closing of market units that have been developed by DPDC.
- (b) On January 12, 2009, TCHC's wholly owned subsidiary, RPDC, entered into a co-tenancy agreement with a developer for the construction of certain properties in Regent Park. The co-tenancy of the development operates through a nominee corporation, PGDC.
- (c) On May 22, 2009, TCHC's wholly owned subsidiary, RLDC, entered into a co-tenancy agreement with a developer for the construction of certain properties. The co-tenancy operates through a nominee corporation, LDI.
- (d) On February 5, 2013, TCHC's wholly owned subsidiary, AGDC, entered into a partnership agreement with a developer, thus forming AGP for the revitalization of certain properties in Allenbury Gardens.
- (e) On July 19, 2013, TCHC's wholly owned subsidiary, APDC, entered into a partnership agreement with a developer, forming APPI, for the revitalization of certain properties in Alexandra Park. APDC and the developer have equal interests in the partnership, which operates through a nominee corporation, Alexandra Park Condominium Residences Inc. ("APCRI"), which holds legal title to the real property as a bare trustee for APDC and the development partner to whom beneficial ownership of the property is transferred on closing.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

3. Investments in joint ventures and other interests (continued):

- (f) On June 30, 2020, TCHC's wholly owned subsidiary, APDC, entered into a partnership agreement with a developer, forming APPII, for the revitalization of certain properties in Alexandra Park. APDC and the developer have equal interests in the partnership, which operates through a nominee corporation, Dundas Alexandra Park Residences Inc. ("DAPRI"), which holds legal title to the real property as a bare trustee for APDC and the development partner to whom beneficial ownership of the property is transferred on closing.
- (g) On October 2, 2015, TCHC's wholly owned subsidiary, LNDC, entered into a partnership agreement with a developer, forming LNP, for the revitalization of certain properties. LNDC and the developer have equal interests in the partnership, which operates through a nominee corporation, Scala Residences Inc. holds legal title to the real property as a bare trustee for LNDC and the development partner to whom beneficial ownership of the property is transferred on closing.
- (h) On November 4, 2024, TCHC's wholly owned subsidiary, RPDC2, entered into a partnership agreement with a developer, forming OSRP, for the revitalization of certain properties. OSRP and the developer have equal interests in the partnership, which operates through a nominee corporation, 1000784854 Ontario Limited. 1000784854 Ontario Limited holds legal title to the real property as a bare trustee for RPDC2 and the development partner to whom beneficial ownership of the property is transferred on closing.

4. Loans receivable:

Loans receivable as of December 31 consist of the following:

	2025	2024
Dundas and Parliament Development Corporation (a)	\$ 1,865	\$ 1,842
Lawrence Heights Development Partner (b)	7,616	15,031
Regent Park Development Partner (c)	—	12,047
Don Summerville (d)	2,876	48,471
Mortgages receivable (e)	10,733	10,898
	23,090	88,289
Less current portion	4,741	16,029
	\$ 18,349	\$ 72,260

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

4. Loans receivable (continued):

(a) The DPDC loans receivable consists of:

On August 31, 2010, TCHC provided a \$500 revolving demand facility and a \$2,500 non-revolving term loan to the co-tenancy. TCHC's approved in September 2020 for the loan receivable renewal, which consists of three credit facilities:

- Facility 1 - revolving demand facility to \$500. The facility bears interest at the bank's prime rate plus 0.5% per annum and is repayable five days following demand for repayment by the lender.
- Facility 2 - non-revolving term loan to \$2,000. The facility bears interest at 6.0% per annum and is repayable on demand with an expected maturity date of August 31, 2030 pending agreement signoff.
- Facility 3 - non-revolving term loan to \$500. The facility bears interest at 6.0% per annum and is repayable on demand with an expected maturity date of August 31, 2030 pending agreement signoff.

The three credit facilities are guaranteed by the co-tenancy partner. As at December 31, 2025, TCHC has advanced \$1,865 (2024 - \$1,842) to DPDC.

(b) As of December 31, 2025, the total loan receivable including interest for the Lawrence Heights Development Partner is \$7,616 (2024 - \$15,031). As part of a multi-year commitment deals, TCHC has transferred land to a developer related to Lawrence Heights. The total interest included in the loan receivable is \$242 (2024 - \$419). This resulted in multiple loans receivable which consist of multiple parts as noted below.

	2025	2024
3% interest with a maturity date of October 2025	\$ —	\$ 2,139
3% interest with a maturity date of May 2026	—	5,501
3% interest with a maturity date of December 2027	7,616	7,391
	<u>\$ 7,616</u>	<u>\$ 15,031</u>

A payment was received in August 2025 to settle the loan receivable due in May 2026.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

4. Loans receivable (continued):

- (c) As per the multi-year commitment dated September 2020, TCHC transferred land to a developer with a vendor take-back ("VTB") mortgage of \$24,648. The final loan receivable is determined based on City approved gross floor area when building permits are issued. The remaining VTB mortgage is nil (2024 - \$12,047), including interest.
- (d) As per the multi-year commitment dated October 2019, on February 17, 2022, TCHC transferred land to a developer with a carrying value of \$151 and received cash and cash equivalents of \$100 and a loan receivable of \$46,050, the term of this loan is 10 years bearing interest at a rate of 3% per annum, which interest shall accrue until the entire principal amount of this loan is settled. TCHC derecognized \$46,050, which represents the principal portion of the loan in 2025 for accounting purposes, as criteria of derecognition has been met in substance. As of December 31, 2025, loans receivable including interest balance is \$2,876 (2024 - \$48,471). Ongoing negotiations are underway to legally discharge the loan.
- (e) The mortgages receivable consists of three mortgages, which are related to a sales-type lease from 2010 to 2057 for commercial space in a TCHC building. The first mortgage has a maturity date of May 11, 2037, and bears interest at 4.877%. The other two outstanding mortgages starts at the maturity date of the first mortgage and ending on May 11, 2057, and the interest rate will be equal to the negotiated debenture coupon rate at the expiry of the Debenture Series A bonds (note 13(f)(i)) that are due on May 11, 2037. As of December 31, total mortgages receivable is \$10,733 (2024 - \$10,898).

5. Account balances with the City:

- (a) TCHC enters into transactions with the City in the normal course of business and receives payments for various services and supplies. Included in accounts receivable is \$32,413 (2024 - \$45,528) receivable from the City and included in accounts payable and accrued liabilities is \$4,486 (2024 - \$4,843) payable to the City as a result of these transactions. As of December 31, 2025, TCHC also included \$141,446 (2024 - \$11,824) in grants receivable for eligible work performed.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

5. Account balances with the City (continued):

- (b) The City has agreed to fund certain employee benefit costs relating to the former Toronto Housing Corporation ("THC"), as the former company previously contributed to the City's Sick Pay Reserve Fund and Payroll Benefits Plan Reserve Fund. TCHC has recorded a receivable in connection with the expected recoveries of these employee benefit costs from the City.

The total long-term receivable from the City is \$12,517 (2024 - \$14,325) which consists of funding for a portion of the post-employment and post-retirement obligation:

- Accumulating sick leave benefits of \$3,461 (2024 - \$4,269) for funding of the past service liability set up for the former THC participation in a reserve fund established by the City and
- Post-retirement medical, dental and life insurance of \$9,056 (2024 - \$10,056) for funding of the former THC participated in a payroll benefit plan reserve fund established by the City to provide for future post-retirement benefits and disability benefits to all City employees and retirees.

- (c) During the year ended December 31, 2025, the City provided gross subsidies of \$410,832 (2024 - \$342,830). Subsidies include funding for operating activities \$368,596 (2024 - \$340,374), Regent Park Block 17N mortgage principal and interest of \$4,228 (2024 - \$2,456) recognized as revenue following completion of construction and \$38,008 (2024 - nil) Non-Tangible Capital Assets ("NTCA") revenue which is funded through the capital budget.

In 2025, TCHC recognized expenditures incurred with the City which include \$47,728 (2024 - \$40,120) for hydro, \$65,944 (2024 - \$61,454) for water and waste, \$21,267 (2024 - \$21,471) for property taxes and \$3,698 (2024 - \$3,892) for the mortgage interest charges paid to the City.

- (d) The City provided funds that it received under Section 37 of the Planning Act to TCHC for capital improvements in specific developments, including design work, associated labour costs and capital maintenance. As at December 31, 2025, accumulated grants of \$13,098 (2024 - \$11,308) were received and the accumulated capital expenditures were \$6,557 (2024 - \$5,814). The funds available for future capital expenditures are \$6,448 (2024 - \$5,951), including \$142 (2024 - \$182) accumulated interest, invested as restricted cash as at December 31, 2025.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

6. Account balances with Toronto Senior Housing Corporation ("TSHC"):

On June 1, 2022, TCHC and TSHC formalized an transition agreement to transfer the responsibility of operating the 83 senior-designated TCHC properties to TSHC which expires on December 31, 2025. A new legal agreement called the Relationship Agreement was signed to govern the TCHC-TSHC relationship dated January 1, 2026 to December 31, 2030. The agreement provides TSHC a license to operate the buildings, execute tenant leases and deliver senior service and premises services as TCHC's agent.

TCHC enters into transactions with TSHC in the normal course of business and receives payments for various services and supplies due to the transition. Revenue received from the senior designated properties less operating costs related to the properties was provided to TSHC as a monthly net revenue advance totaling to \$53,851 (2024 - \$45,419). This has been recognized as an operating and maintenance expense during the year. During 2025, TCHC recognized \$11,776 (2024 - \$11,390) in other revenue from shared services provided to TSHC.

The accounts receivable includes \$111 (2024 - \$1,655) receivable, inclusive of HST, from TSHC and included in accounts payable and accrued liabilities is \$664 (2024 - \$4,580) payable to TSHC. TCHC also recorded long-term payable to TSHC of \$3,968 (2024 - \$4,015) for post-retirement benefit obligation as part of the transition on June 1, 2022. A review of the long term payable will occur in 2026 to comply with the new Relationship Agreement.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

7. Housing projects acquired or developed:

Housing projects acquired or developed consist of the following:

	Cost, December 31, 2024	Additions	Disposal/ write-off	Completed during the year	Cost, December 31, 2025	Accumulated depreciation ⁽ⁱ⁾	Net book value, December 31, 2025	Net book value, December 31, 2024
Land	\$ 365,561	\$ 32	\$ (557)	\$ —	\$ 365,036	\$ —	\$ 365,036	\$ 365,561
Buildings	2,281,600	4,200	(143)	178,911	2,464,568	(1,240,856)	1,223,712	1,087,165
Asset retirement obligations	35,934	—	—	—	35,934	(11,476)	24,458	28,077
Guaranteed equity housing projects	7,008	—	(320)	—	6,688	(3,997)	2,691	2,951
Plant	73,887	—	—	15,268	89,155	(26,187)	62,968	50,159
Housing projects under construction	273,884	81,468	—	(194,179)	161,173	—	161,173	273,884
	\$ 3,037,874	\$ 85,700	\$ (1,020)	\$ —	\$ 3,122,554	\$ (1,282,516)	\$ 1,840,038	\$ 1,807,797

⁽ⁱ⁾ Included in accumulated depreciation is the cost and accumulated depreciation of buildings transferred to assets held for sale (note 9).

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

7. Housing projects acquired or developed (continued):

The guaranteed equity housing project units are repurchased on termination of the project in 2042 or earlier based on the terms of the arrangement. During the year ended December 31, 2025, TCHC repurchased 3 (2024 - 4) units and holds 69 (2024 - 66) repurchased units as at December 31, 2025. The associated cost and accumulated depreciation of \$260 (2024 - \$279) of the repurchased units was transferred to housing projects acquired or developed and rented at the market rate. As at December 31, 2025, an obligation of \$7,183 (2024 - \$7,622) for the repurchase of guaranteed equity units has been recorded in accounts payable and accrued liabilities.

8. Improvements to housing projects:

Improvements to housing projects consist of the following:

	Cost, December 31, 2024	Additions ⁽ⁱ⁾	Disposal/ write-off	Cost, December 31, 2025	Accumulated depreciation ⁽ⁱ⁾	Net book value, December 31, 2025	Net book value, December 31, 2024
Improvements to land and buildings ⁽ⁱ⁾	\$ 4,356,341	\$ 296,368	\$ (445)	\$ 4,652,264	\$ (2,079,887)	\$ 2,572,377	\$ 2,486,889
Furniture and equipment	375,972	28,461	–	404,433	(301,810)	102,623	101,445
Leasehold improvements	3,006	–	–	3,006	(2,988)	18	22
	\$ 4,735,319	\$ 324,829	\$ (445)	\$ 5,059,703	\$ (2,384,685)	\$ 2,675,018	\$ 2,588,356

⁽ⁱ⁾ Included in additions and accumulated depreciation is the cost and accumulated depreciation of Improvement to buildings transferred to assets held for sale (note 9).

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

9. Assets held for sale or transfer:

During 2018, the Board of Directors resolved to transfer the ownership of the TCHC Agency Houses, Scattered Homes and Uninhabitable Homes portfolio to non-profit corporations as approved by City Council.

As of December 31, 2025, TCHC classified nil (2024 - 54) Scattered Home units and 24 (2024 - 24) agency home units as assets held for sale following City Council's motion.

The assets which are expected to be transferred within 12 months have been classified as held for sale and are presented separately in the consolidated statement of financial position.

	Carrying value December 31, 2024	Addition	Disposal	Carrying value December 31, 2025
Land	\$ 127	\$ 23	\$ —	\$ 150
Buildings	211	—	(150)	61
Improvement to buildings	21	—	(21)	—
	\$ 359	\$ 23	\$ (171)	\$ 211

10. Bank loan and bank indebtedness:

TCHC has a committed revolving credit facility of \$200,000 (2024 - \$200,000) that is available for short-term advances and letters of credit, with standby charges of 0.2%. Short-term advances are available by way of a prime loan at the Canadian prime rate and bankers' acceptances ("BA") at the bank's BA rate plus 1.10%. The balance for the short-term advances is \$125,100 (2024 - \$18,500). The amount available under the revolving credit facility is \$67,968 (2024 - \$171,256), which is net of outstanding letters of credit of \$6,932 (2024 - \$10,244).

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

11. Asset retirement obligations:

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some TCHC owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at January 1, 2022. The obligation was measured at the time of adoption as the timing of future cash flows cannot be reasonably determined. Every year, TCHC reevaluates the asset retirement obligation at each financial reporting date by recording any significant changes and derecognizing any cash expenditures to reduce the liability. The costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	2025	2024
Balance, beginning of year	\$ 476,616	\$ 479,525
Demolition during the year	—	(2,909)
Balance, ending of year	\$ 476,616	\$ 476,616

As at December 31, 2025, there are no significant changes to estimated cash flow, timing of settlement and legal requirement. Therefore, there are no changes to the asset retirement obligations.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

12. Employee benefits:

TCHC has the following employee benefits plans:

(a) Non-pension post-retirement benefit plans:

TCHC provides post-retirement benefit plans for medical, dental and life insurance benefits to CUPE 79, 416 and grandfathered employees from former Metro Management and Toronto Management.

It also includes accumulating sick benefits to CUPE 79, 416 and grandfathered employees and termination benefits to OPSEU.

A portion of the liability for medical, dental and life insurance and accumulating sick benefits is funded through long-term receivable as noted in 5(b).

(b) Post-employment benefit plans:

Post-employment benefit plans provide income benefits for employees in the form of long-term disability, continuation of benefits (medical, dental, life insurance and income replacement benefits); and self-insured Workplace Safety and Insurance Board ("WSIB") Benefits (for Schedule 2 employers). TCHC is a Schedule 2 Employer under the Workplace Safety and Insurance Act (Ontario) and, as such, assumes full responsibility for financing its workplace safety insurance costs. The accrued obligation represents the present value of future benefits on existing claims.

(c) Supplementary employee retirement plan ("SERP"):

In 2006, TCHC established the SERP for current eligible employees whose pension benefits were frozen in the Public Service Pension Plan or the Ontario Public Service Employees' Union Pension Plan as at January 1, 2001. An eligible employee is an active employee on February 15, 2006 (the date this benefit was approved by the Board of Directors) and had transferred employment on January 1, 2001 from the Metropolitan Toronto Housing Authority to TCHC and became a member of the Ontario Municipal Employees' Retirement Fund ("OMERS").

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

12. Employee benefits (continued):

(d) OMERS:

Employees are members of OMERS, a multi-employer pension plan. The plan is a defined benefit plan and specifies the amount of the retirement benefits to be received by the employees based on length of service and the highest five years' average earnings. Employees and employers contribute jointly to the plan.

In 2025, the OMERS funded ratio stands at 99% (2024 - 98%) and the primary plan ended 2025 with a funding deficit of \$1.3 billion (2024 - funding deficit \$2.9 billion). As OMERS is a multi-employer plan, any pension plan surplus or deficit is the joint responsibility of all Ontario municipalities and their employees. TCHC does not recognize any share of the OMERS pension surplus or deficit.

Depending on the individual's normal retirement age and pensionable earnings, 2025 and 2024 contribution rates were 9% to 14.6%. Total employee contributions amounted to \$19,555 (2024 - \$17,104). Total employer contributions amounted to \$19,555 (2024 - \$17,104).

Employee benefits liabilities of TCHC as at December 31 consist of the following:

	2025	2024
Non-Pension Post-Retirement:		
Medical, dental and life insurance	\$ 18,741	\$ 18,330
Sick leave benefits	13,857	12,862
Termination benefits	1,700	1,558
	34,298	32,750
Post-Employment benefits:		
Disability benefits	5,670	4,565
WSIB obligation	6,605	3,003
Income replacement benefits	113	167
	12,388	7,735
Total Post-Retirement and Post-Employment benefits	46,686	40,485
SERP (c)	24,602	25,366
	\$ 71,288	\$ 65,851

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

12. Employee benefits (continued):

Additional information about TCHC's SERP and other benefit plans as at December 31, 2025 and December 31, 2024 is as follows:

	Post Retirement	Post Employment	SERP	2025	2024
Accrued benefit obligation	\$ 29,187	\$ 12,388	\$ 26,892	\$ 68,467	\$ 63,638
Fair value of plan assets	—	—	(2,593)	(2,593)	(2,344)
Unamortized actuarial gain	5,111	—	303	5,414	4,557
Total	\$ 34,298	\$ 12,388	\$ 24,602	\$ 71,288	\$ 65,851

Continuity of TCHC's accrued benefit liabilities for December 31, 2025 and 2024:

	Post Retirement	Post Employment	SERP	2025	2024
Balance, beginning of year	\$ 28,518	\$ 7,735	\$ 25,041	\$ 61,294	\$ 63,230
Current service cost	2,244	—	65	2,309	2,130
Interest cost	1,237	—	1,176	2,413	2,341
Benefits paid	(1,298)	—	—	(1,298)	(1,711)
Plan amendment	95	—	—	95	—
Actuarial (gain)/loss	(1,609)	4,653	(303)	2,741	(3,656)
Funding contributions	—	—	(1,680)	(1,680)	(1,040)
Benefit, end of year	29,187	12,388	24,299	65,874	61,294
Unamortized actuarial gain	5,111	—	303	5,414	4,557
Balance, end of year	\$ 34,298	\$ 12,388	\$ 24,602	\$ 71,288	\$ 65,851

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

12. Employee benefits (continued):

TCHC's employee benefit expense as of December 31, 2025 and 2024 are as follows:

	Post Retirement	Post Employment	SERP	2025	2024
Current service cost	\$ 2,244	\$ —	\$ 65	\$ 2,309	\$ 2,130
Interest cost	1,237	—	1,176	2,413	2,341
Amortization of actuarial gain (loss)	(635)	4,653	(324)	3,694	(5,058)
Total	\$ 2,846	\$ 4,653	\$ 917	\$ 8,416	\$ (587)

The significant actuarial assumptions adopted in measuring TCHC's accrued benefit obligations and the benefit costs for the SERP and other employment and post-employment benefits are as follows:

	SERP		Other benefits	
	2025	2024	2025	2024
Discount rates for benefit obligations:				
Post-retirement and sick leave	—	—	4.40%	4.20%
Post-employment	—	—	3.50%	3.40%
Pension	4.50%	4.40%	—	—
Discount rates for benefit costs:				
Post-retirement and sick leave	—	—	4.20%	4.10%
Terminal benefit	—	—	3.40%	3.80%
Pension	4.40%	4.30%	—	—
Rate of compensation increase	2.50%	2.50%	2.50% to 5.00%	2.50%
Inflation rate	2.00%	2.00%	2.00%	2.00%
Healthcare inflation - select	n/a	n/a	4.90%	4.95%
Healthcare inflation - ultimate	n/a	n/a	4.00%	4.00%

For measurement purposes, a 6.25% annual rate of increase in the per capita cost of covered health-care benefits was assumed. The rate is assumed to decrease gradually to 4.00% by 2040 and remain at that level thereafter.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

13. Project financing and debenture loans:

Project financing consists of mortgages, loans payable to the Canada Mortgage and Housing Corporation ("CMHC"), City, Infrastructure Ontario ("IO") and others and debentures. The total project financing owed is \$1,991,768 (2024 - \$1,939,797), of which, the current portion is \$70,986 (2024 - \$68,469) and the long-term portion is \$1,920,782 (2024 - \$1,871,328). The changes in project financing for the year ended December 31, 2025 are as follows:

	December 31, 2024	New project financing	Imputed interest on loans	Mortgages and loans payments	Deferred financing costs	December 31, 2025
Canada Mortgage and Housing Corporation ("CMHC") (a)	\$ 471,579	\$ 101,010	\$ –	\$ (21,379)	\$ 5	\$ 551,215
Other mortgages (b)	55,272	–	–	(12,309)	–	42,963
Long-term loans payable to the City (c)	98,760	–	40	(5,564)	1	93,237
Long-term loans payable to others (d)	9,157	–	–	(2,719)	2	6,440
Long-term loans payable to IO (e)	858,462	18,420	–	(25,788)	69	851,163
Debenture loans used in project financing (f)	446,567	–	–	–	183	446,750
	\$ 1,939,797	\$ 119,430	\$ 40	\$ (67,759)	\$ 260	\$ 1,991,768

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

13. Project financing and debenture loans (continued):

For the year ended December 31, 2025, interest incurred on long-term debt totaled \$78,726 (2024 - \$78,654) has been recorded as interest expense in the consolidated statement of operations.

Principal repayments net of deferred financing charges on project financing are due as follows:

	CMHC	Other mortgages	City	Other loans	IO	Debenture loans used in project financing	Total
	(a)	(b)	(c)	(d)	(e)	(f)	
2026	\$ 24,118	\$ 11,021	\$ 5,725	\$ 2,813	\$ 27,309	\$ —	\$ 70,986
2027	25,515	10,170	5,022	2,910	28,326	—	71,943
2028	26,597	7,384	5,203	495	29,381	—	69,060
2029	24,066	4,940	5,391	—	30,477	—	64,874
2030	22,911	2,945	5,587	—	31,614	—	63,057
2031 and thereafter	428,046	6,503	66,324	226	705,320	450,000	1,656,419
Deferred financing charges on project financing	(38)	—	(15)	(4)	(1,264)	(3,250)	(4,571)
	\$ 551,215	\$ 42,963	\$ 93,237	\$ 6,440	\$ 851,163	\$ 446,750	\$ 1,991,768

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

13. Project financing and debenture loans (continued):

- (a) CMHC project financing balance is \$551,215 (2024 - \$471,579), net of deferred financing costs, comprises of:
 - (i) \$53,263 (2024 - \$64,073) of mortgages bearing interest at rates between 0.64% and 11% (2024 - 0.64% and 11%) with a mortgages maturity year between 2026 and 2055 with monthly repayment terms and
 - (ii) \$497,952 (2024 - \$407,506), net of deferred financing costs, related to a financing agreement was signed between TCHC and CMHC on December 20, 2019. TCHC expects to receive loans up to \$1,341,058 to fund eligible expenditures under the capital repair program between 2020 and 2027. The loans contain a repayable amount up to \$813,546 and a forgivable amount up to \$527,512. In 2026, an amending agreement has been signed with CMHC and the City of Toronto which updates special covenants related to waiving accessibility requirements, reducing the required portfolio wide energy savings, and reducing the minimum unit number requirement to reflect transferred houses through the City of Toronto's direction. TCHC submitted claims for a total amount of \$957,939 (2024 - \$806,285) comprised: (i) repayable loans of \$532,517 (2024 - \$431,507) with monthly repayment terms, (ii) forgivable loans of \$425,422 (2024 - \$374,778) which includes \$393,137 (2024 - \$374,778) payment received and grants receivable of \$32,285 (2024 - nil).
- (b) Other mortgages bear interest at rates between 1.82% and 6.51% (2024 - 1.82% and 7.31%). These mortgages mature between 2026 and 2048 with monthly repayment terms.
- (c) Long-term loans payable to the City consists of the following:
 - (i) On December 1, 2014, TCHC received \$52,411 non-revolving credit facility at a fixed interest rate of 4.5% for a 30-year term with annual repayment terms from the City to refinance loans of 37 properties. \$61 (2024 - \$59) of the loan proceeds is included in externally restricted cash.
 - (ii) Beginning 2018, TCHC has a non-revolving, 20-year loan of \$35,948 at a fixed interest rate of 3.7% with annual repayment terms with the City to finance the implementation of 9 energy efficiency projects at TCHC facilities.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

13. Project financing and debenture loans (continued):

(iii) Beginning 2019, TCHC has a non-revolving, 20-year loan of \$24,000 at a fixed interest rate of 2.6% with quarterly repayment terms with the City to finance the implementation of 40 energy efficient generators at TCHC facilities.

(vi) Other loans from the City bear interest at rates between 3.92% and 4.12% (2024 - 3.92% and 4.12%). These loans mature between 2026 and 2042 ranging from monthly and annual repayment terms.

(d) The long-term loans payable to others of \$6,440 (2024 - \$9,157) primarily consist of a non-revolving, 10-year loan of \$6,218 (2024 - \$8,937) at a fixed interest rate of 3.39% with monthly repayment terms with National Bank of Canada.

(e) Infrastructure Ontario loans bear interest at rates between 2.75% and 4.85% (2024 - 2.76% and 4.53%). These loans mature between 2043 and 2055 with monthly repayment terms.

TCHC incurred financing costs of \$2,479 (2024 - \$2,479) related to the origination and maintenance of the IO funding with an unamortized deferred financing cost of \$1,264 (2024 - \$1,362) as of December 31, 2025.

(f) TCHC has entered into a credit agreement (the "Credit Agreement"), dated May 11, 2007, with the TCHC Issuer Trust (the "Trust"), which in turn entered into an agreement with various agents to issue bonds. The Trust has advanced all proceeds of the bond offerings to TCHC as a loan having the same interest rate and term as the debenture. Bond repayments are due at maturity date in 2037 and 2040.

(i) In 2007, \$250,000, 4.877% Debentures Series A bonds due on May 11, 2037:

TCHC incurred financing costs of \$3,297 which are amortized over the term of the debt. Amortization of \$117 (2024 - \$111) and interest expense of \$12,193 (2024 - \$12,193) were recorded. The total balance as at December 31, 2025 is \$248,166 (2024 - \$248,048).

(ii) In 2010, \$200,000, 5.395% Debentures Series B bonds due on February 22, 2040:

TCHC incurred financing costs of \$2,121, which are amortized over the term of the debt. Amortization of \$65 (2024 - \$61) and interest expense of \$10,790 (2024 - \$10,790) were recorded. The total balance as at December 31, 2025 is \$198,584 (2024 - \$198,519).

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

14. Deferred capital contributions and grants receivable:

- (a) Deferred capital contributions represent the unamortized amount of restricted contributions received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the consolidated statement of operations on the same useful life as the asset.

The changes in the deferred capital contributions balance are as follows:

	2025	2024
Balance, beginning of year	\$ 1,671,084	\$ 1,508,501
Restricted grants for housing projects	263,303	256,280
Amortization of deferred capital contributions	(95,143)	(93,101)
Disposal of properties with unamortized deferred capital contributions (note 18)	(19)	(596)
Balance, end of year	\$ 1,839,225	\$ 1,671,084

- (b) As at December 31, 2025, the grants receivable comprise of:

	2025	2024
Provincial affordability housing grants (i)	\$ 39,334	\$ 8,172
Contributions receivable from the City (ii)	141,446	11,824
	180,780	19,996
Less current portion	174,906	12,947
	\$ 5,874	\$ 7,049

- (i) Provincial affordability housing grants for the development of five projects are to be paid monthly over 20 years from the date of grant through to various dates in 2029 to 2034. As at December 31, 2025, the total grants receivable is \$39,334 (2024 - \$8,172).
- (ii) The total City approved funding of \$325,926 is included in Support & Housing Administration ("SSHA") to TCHC which includes funding to address its state of good repair ("SOGR") backlog for 2025 of \$209,904 (2024 - \$136,806). TCHC received the contribution of \$78,105 (2024 - \$168,011) in 2025. As at December 31, 2025, the total grants receivable is \$141,446 (2024 - \$11,824).

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

15. Funds under administration:

Toronto Affordable Housing Fund is a program that provides financial support to qualified individuals to purchase eligible homes. The funding agreement was signed with the City on April 30, 2009, for which principal and capital appreciation shall be paid to the City and all outstanding mortgages shall be assigned to the City. The following funds are administered by TCHC on behalf of the City and are not included in these consolidated financial statements:

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Toronto Affordable Housing Fund	\$ 12,092	\$ 8,491	\$ 11,793	\$ 8,495

On July 31, 2025, the TAHF board authorized TCHC management to negotiate with the City of Toronto ("City") to facilitate transferring the mortgage administration to the City.

16. Internally restricted funds:

Internally restricted funds are held for specific purposes as resolved by TCHC's Board of Directors.

	Capital risk reserve fund	Sinking fund	Working capital reserve fund	Operating stabilization reserve fund	Total 2025	Total 2024
Balance, January 1, 2025	\$ 95,549	\$ 173,357	\$ 57,678	\$ —	\$ 326,584	\$ 280,038
Contributions	9,719	9,091	—	5,110	23,920	30,291
Net investment income	1,146	11,503	37,378	—	50,027	16,255
Withdrawals	(24,184)	—	—	—	(24,184)	—
Unrealized gains	610	4,886	1,075	—	6,571	26,866
Balance, December 31, 2025	82,840	198,837	96,131	5,110	382,918	353,450
Less unrealized gains	610	4,886	1,075	—	6,571	26,866
Balance, December 31, 2025	\$ 82,230	\$ 193,951	\$ 95,056	\$ 5,110	\$ 376,347	\$ 326,584

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

16. Internally restricted funds (continued):

As at December 31, 2025, the funds are supported by investments of \$349,640 (2024 - \$309,886), including nil (2024 - \$322) of accrued investment income recorded in accounts receivable and is broken down as follows:

	Capital risk reserve fund	Sinking fund	Working capital reserve fund	Total 2025	Total 2024
Investments	\$ 54,344	\$ 199,073	\$ 96,223	\$ 349,640	\$ 309,886

As at December 31, 2025, the difference between investment and equity prior to reclassification of unrealized gains and losses are a shortfall of \$28,495 (2024 - \$43,242) for capital risk reserve fund, a surplus of \$235 (2024 - nil) for sinking fund, a surplus of \$92 (2024 - nil) for working capital reserve fund and shortfall of \$5,110 (2024 - nil) for operating stabilization reserve fund.

TCHC board of directors approved at its December 11, 2025 meeting the creation of stabilization reserve fund with an initial one-time contribution of \$5,110 from TCHC's 2025 Operating Surplus. This reserve fund is an allocation of accumulated net revenue and makes no reference to any specific asset and does not require the physical segregation of money or asset.

17. Contingencies:

- (a) TCHC will be liable to repay certain CMHC, federal, provincial and City for unfulfilled performance obligation and loans not yet formally forgiven, which are included in deferred capital contributions (note 14), should it fail to adhere to the terms and conditions under which the loans were originally granted. As at December 31, 2025, the amount of forgivable loans and unfulfilled performance obligation are \$507,219 (2024 - \$464,506).

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

17. Contingencies (continued):

(b) In the normal course of operations, TCHC is subject to various arbitration, litigation and claims. With respect to claims as at December 31, 2025, it is management's position that TCHC has valid defences and appropriate insurance coverage in place. In the unlikely event any claims are successful, such claims are not expected to have a material impact on TCHC's consolidated financial position.

18. Gain on sale of housing projects, land and other capital assets:

The total gain on sale for housing for the year ended December 31, 2025 consist of the following:

			2025	2024
Asset description	Proceeds from sales	Net book value	Gain (loss)	Gain
Land (a)	\$ 12,468	\$ —	\$ 12,468	\$ 8,458
Land (b)	157	785	(628)	10,539
Scattered Homes (c)	110	—	110	286
Other disposals	—	—	—	58
Total	\$ 12,735	\$ 785	\$ 11,950	\$ 19,341

(a) As per the multi-year commitment dated October 2019, on February 17, 2022, TCHC transferred land to a developer with a carrying value of \$151 and recognized a gain of \$45,999. As of December 31, 2025, TCHC recognized an additional gain of \$12,468.

(b) For the year ended December 31, 2025, TCHC sold 54 scattered home units to one non-profit organization and received cash and cash equivalents of \$157. As at December 31, 2025, TCHC recognized a net loss on sale of properties of \$628.

(c) For the year ended December 31, 2025, TCHC disposed of other capital assets and recognized a gain of \$110.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

19. Commitments and contractual obligations:

- (a) TCHC is obligated under the terms of operating leases and other commitments to the following annual payments:

	Operating leases	Other (b)	Total
2026	\$ 2,199	\$ 114,029	\$ 116,228
2027	1,896	8,434	10,330
2028	1,339	285	1,624
2029	781	—	781
2030	—	46,915	46,915
	\$ 6,215	\$ 169,663	\$ 175,878

- (b) As at December 31, 2025, TCHC has commitments and contractual obligations of \$114,029 to vendors for capital repairs and services to be performed over the next 12 months.

20. Fair value and risk management:

Risk management:

TCHC is exposed to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. TCHC's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on TCHC's financial performance.

- (a) Interest rate risk:

Interest rate risk is the risk that either future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. TCHC is exposed to interest rate risk as a result of cash and cash equivalents balances, fixed rate and floating rate investments carried at fair value, and floating rate debt.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

20. Fair value and risk management (continued):

(i) Fixed income investments:

TCHC is exposed to the risk of fluctuation in the fair value and cash flows from its fixed income investments due to changes in interest rates.

In 2025, TCHC onboarded Outsourced Chief Investment Manager to manage the investment portfolio with the performance of the portfolio being assessed in relation to pre-established benchmarks and the risks associated with the investment portfolio are reviewed on a bi-annual basis by TCHC's Investment Advisory Committee, which reports to TCHC's Building Investment, Finance and Audit Committee. TCHC mainly invests in money market fund, overall short-term and investment-grade corporate fixed income securities and is therefore subject to interest rate risk.

In 2024, TCHC mainly invested in debt instruments with terms to maturity of one year or less or other short-term fixed income securities and as such had minimal sensitivity to changes in interest rates since these debt instruments have short maturity profiles and are usually held to maturity.

(ii) Floating interest rate risk - short-term borrowing:

As at December 31, 2025, the effect on unrestricted surplus of a 50 basis point absolute change in the market interest rate of the floating rate debt obligations is \$923 (2024 - \$297).

The risk of increases in the floating interest rate on TCHC's short-term borrowing, if unmitigated, could lead to decreases in cash flow and excess of expenses over revenue. As at December 31, 2025, floating rate debt represented 8.71% (2024 - 3.04%) of total debt obligations.

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

20. Fair value and risk management (continued):

(b) Credit risk:

(i) Fixed income credit risk:

TCHC has investments in fixed income securities issued by corporations and government entities. TCHC mitigates the risk by limiting investment portfolio to investments in BBB grade or higher. The OCIO manages the investment portfolio on behalf of TCHC. Their performance and risks associated with the investment portfolio are reviewed on a bi-annual basis by TCHC's Investment Advisory Committee, which reports to TCHC's Building Investment, Finance and Audit Committee based on pre-established benchmark. There are no amounts past due on the fixed income investment portfolio.

(ii) Loans receivable credit risk:

Credit risk in the event of non-payment by the development partners is not considered to be significant as agreements outlining repayments are in place and there are no past due balances as at December 31, 2025.

(iii) Accounts receivable from the City credit risk:

TCHC recorded the long-term receivable from the City in 2001. TCHC and the City mutually agreed to a repayment schedule. The City acknowledges the amount payable. TCHC believes it is not exposed to significant credit risk as a result of non-payment.

(iv) Accounts receivable credit risk:

TCHC is exposed to credit risk in the event of non-payment by tenants.

As at December 31, 2025, the total accounts receivable balance is \$81,549 (2024 - \$100,585). The following is the aging of accounts receivable:

	30 days	60 days	90 days	120 days	Over 120 days	Total
Accounts receivable	\$ 62,244	\$ 3,230	\$ 267	\$ 200	\$ 15,608	\$ 81,549

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

20. Fair value and risk management (continued):

Of the total accounts receivable, \$32,413 (2024 - \$45,528) is owed by the City, \$40,733 (2024 - \$45,981) is other receivables and \$8,403 (2024 - \$9,076) is owed to tenant accounts receivable, net of allowance for doubtful accounts.

(c) Liquidity risk:

Liquidity risk results from TCHC's potential inability to meet its obligations associated with financial liabilities as they come due. TCHC monitors its operations and cash flows to ensure current and future obligations will be met. TCHC has access to an undrawn revolving credit facility of \$67,968 to meet its current and future obligations.

The table below is a maturity analysis of TCHC's financial liabilities as at December 31, 2025:

	Up to 1 year	More than 1 year up to 5 years	More than 5 years	Total
Bank loan and bank indebtedness	\$ 125,100	\$ —	\$ —	\$ 125,100
Accounts payable and accrued liabilities	224,601	—	—	224,601
Tenants' deposits and rents received in advance	18,875	—	—	18,875
Project financing including interest	150,033	560,042	2,286,511	2,996,586
	\$ 518,609	\$ 560,042	\$ 2,286,511	\$ 3,365,162

TORONTO COMMUNITY HOUSING CORPORATION

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2025

20. Fair value and risk management (continued):

The table below is a maturity analysis of TCHC's financial liabilities as at December 31, 2024:

	Up to 1 year	More than 1 year up to 5 years	More than 5 years	Total
Bank loan and bank indebtedness	\$ 18,500	\$ —	\$ —	\$ 18,500
Accounts payable and accrued liabilities	265,998	—	—	265,998
Tenants' deposits and rents received in advance	18,554	—	—	18,554
Project financing including interest	147,051	556,683	2,245,949	2,949,683
	\$ 450,103	\$ 556,683	\$ 2,245,949	\$ 3,252,735

21. Subsequent event:

RPEI is a wholly owned subsidiary of TCHEI. TCHEI is a wholly owned subsidiary owned by TCHC. To simplify the corporate structure, a vertical short form amalgamation was approved by the TCHEI Board of Directors at its July 28, 2025 meeting and by the RPEI Board of Directors at its August 6, 2025 meeting. The amalgamation has been filed with the Ministry of Public and Business Service Delivery and Procurement (Ministry) and is effective as of January 1, 2026.