

SUPPORTIVE HOUSING OF WATERLOO
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SUPPORTIVE HOUSING OF WATERLOO
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Net Assets	6
Consolidated Statement of Revenues and Expenditures	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 15
Consolidated Schedule of Revenues and Expenditures	16



INDEPENDENT AUDITOR'S REPORT

To the Members of: Supportive Housing of Waterloo

Opinion

We have audited the accompanying consolidated financial statements of Supportive Housing of Waterloo, which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Supportive Housing of Waterloo as at December 31, 2025 and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of Supportive Housing of Waterloo 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 Matter

Supportive Housing of Waterloo has prepared non-consolidated financial statements for the year ended December 31, 2025 in accordance with Canadian accounting standards for not-for-profit organizations on which we issued an independent auditor's report to the members of Supportive Housing of Waterloo dated April 28, 2026.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



Guelph, Ontario
April 28, 2026

Chartered Professional Accountants
Licensed Public Accountants

SUPPORTIVE HOUSING OF WATERLOO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 639,141	\$ 373,337
Investments (note 5)	319,253	522,771
Accounts receivable	9,767	10,133
Prepaid expenses	41,730	41,120
HST receivable	<u>53,436</u>	<u>47,714</u>
	1,063,327	995,075
TANGIBLE CAPITAL ASSETS (note 4)	5,051,439	5,172,590
CAPITAL RESERVE HELD BY INFRASTRUCTURE ONTARIO	94,049	83,675
RESTRICTED INVESTMENT (note 5)	102,825	99,012
RESERVE INVESTMENT (note 5)	<u>100,000</u>	<u>100,000</u>
	<u>\$ 6,411,640</u>	<u>\$ 6,450,352</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 100,859	\$ 114,027
Government remittances payable	0	1,935
Unearned revenue (note 6)	419,948	461,938
Current portion of long term debt (note 7)	<u>37,310</u>	<u>467,578</u>
	558,117	1,045,478
LONG TERM DEBT (note 7)	3,223,992	2,803,222
DEFERRED CAPITAL CONTRIBUTIONS (note 8)	<u>2,139,536</u>	<u>2,211,640</u>
	<u>5,921,645</u>	<u>6,060,340</u>
NET ASSETS		
UNRESTRICTED NET ASSETS (note 12)	245,946	206,337
INTERNALLY RESTRICTED RESERVE	150,000	100,000
EXTERNALLY RESTRICTED CAPITAL RESERVE (note 12)	<u>94,049</u>	<u>83,675</u>
	<u>489,995</u>	<u>390,012</u>
	<u>\$ 6,411,640</u>	<u>\$ 6,450,352</u>

SUPPORTIVE HOUSING OF WATERLOO
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Net Assets (unrestricted)	Reserve (internally restricted)	Capital Reserve (externally restricted) (note 12)	2025	2024
NET ASSETS, beginning of year	\$ <u>206,337</u>	\$ <u>100,000</u>	\$ <u>83,675</u>	\$ <u>390,012</u>	\$ <u>220,174</u>
Net surplus of revenues over expenditures for the year	98,102	0	1,881	99,983	169,838
Transfers (note 9)	<u>(58,493)</u>	<u>50,000</u>	<u>8,493</u>	<u>0</u>	<u>0</u>
	<u>39,609</u>	<u>50,000</u>	<u>10,374</u>	<u>99,983</u>	<u>169,838</u>
NET ASSETS, end of year	\$ <u><u>245,946</u></u>	\$ <u><u>150,000</u></u>	\$ <u><u>94,049</u></u>	\$ <u><u>489,995</u></u>	\$ <u><u>390,012</u></u>

SUPPORTIVE HOUSING OF WATERLOO
CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024 (note 11)
REVENUES		
Region of Waterloo funding	\$ 741,480	\$ 692,224
Rental	529,083	503,946
Fundraising (note 10)	390,925	450,511
City of Waterloo grants	214,753	29,421
Amortization of deferred capital contributions (note 8)	72,104	66,818
Interest income	24,030	14,928
Other grants	21,784	72,503
Government of Canada funding	5,301	5,122
Other income	4,829	2,888
	<u>2,004,289</u>	<u>1,838,361</u>
EXPENDITURES		
Salaries	870,531	771,257
Professional fees	297,761	96,817
Interest on long term debt	183,228	174,778
Repairs and maintenance	162,871	193,120
Amortization	122,164	116,878
Utilities	104,523	98,530
Insurance	46,877	46,697
Office	45,666	51,258
Tenant support	45,248	62,093
Fundraising and meeting	11,202	13,353
Program	10,206	24,939
Telephone	2,859	3,076
Interest and bank charges	2,007	1,857
Postage and courier	1,390	1,464
Insurance claim	0	25,000
	<u>1,906,533</u>	<u>1,681,117</u>
SURPLUS OF REVENUES OVER EXPENDITURES	<u>97,756</u>	<u>157,244</u>
OTHER		
Unrealized gain on Capital Reserve held by Infrastructure Ontario	1,881	6,008
Investment gain	346	86
Gain on sale of tangible capital asset	0	6,500
	<u>2,227</u>	<u>12,594</u>
NET SURPLUS OF REVENUES OVER EXPENDITURES for the year	<u>\$ 99,983</u>	<u>\$ 169,838</u>

SUPPORTIVE HOUSING OF WATERLOO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net surplus of revenues over expenditures for the year	\$ 99,983	\$ 169,838
Items not requiring an outlay of cash		
Amortization	122,164	116,878
Amortization of deferred capital contributions	(72,104)	(66,818)
Gain on sale of tangible capital asset	0	(6,500)
Unrealized gain on Infrastructure Ontario investments	<u>(1,881)</u>	<u>(6,008)</u>
	148,162	207,390
Changes in non-cash working capital		
Accounts receivable	366	6,687
Prepaid expenses	(610)	873
HST receivable	(5,722)	(8,900)
Accounts payable and accrued liabilities	(13,168)	33,173
Government remittances payable	(1,935)	679
Unearned revenue	<u>(41,990)</u>	<u>371,007</u>
	<u>85,103</u>	<u>610,909</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Long term debt	(9,498)	(8,182)
Additions to deferred capital contributions	<u>0</u>	<u>26,428</u>
	<u>(9,498)</u>	<u>18,246</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to tangible capital assets	(1,013)	(25,416)
Investments	199,705	(526,729)
Capital reserve held by Infrastructure Ontario	(8,493)	9,002
Proceeds on disposal of capital asset	<u>0</u>	<u>6,500</u>
	<u>190,199</u>	<u>(536,643)</u>
NET INCREASE IN CASH	265,804	92,512
NET CASH, beginning of year	<u>373,337</u>	<u>280,825</u>
NET CASH, end of year	<u>\$ 639,141</u>	<u>\$ 373,337</u>

SUPPORTIVE HOUSING OF WATERLOO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. NATURE OF ORGANIZATION

Supportive Housing of Waterloo is a not-for-profit organization incorporated under the laws of Ontario without share capital on June 1, 2007. It is a registered charity under the Income Tax Act and is exempt from income tax. Its mission is to develop decent, affordable housing complete with a mix of support services in the Region of Waterloo for people who are homeless or hard to house.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) **BASIS OF PREPARATION**

The organization issues general purpose non-consolidated financial statements and consolidated financial statements prepared specifically for funder use. These consolidated financial statements include Empower Cleaning Inc., a 100% owned for profit subsidiary. Empower Cleaning Inc. is currently inactive.

(b) **NET ASSETS**

Unrestricted net assets

Unrestricted net assets reports resources available for the organization's general operating activities.

Internally restricted reserve

The reserve is internally restricted by the Board of Directors to ensure financial stability and support future operational needs.

Externally restricted capital reserve

The externally restricted capital reserve reports monthly deposits equal to 4.00% of effective gross income related to 362 Erb Street which is held in an investment trust managed by Infrastructure Ontario. Its purpose is to create a cash reserve to pay for future tangible capital asset expenditures that may be required.

(c) **REVENUE RECOGNITION**

The organization follows the deferral method of accounting for contributions. Externally restricted contributions, including funding from the Region of Waterloo and funding from the Government of Canada are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income, which includes interest income, realized and unrealized gains, and dividends, are recognized as revenue over the period earned.

Rental revenue is recognized over the term of the rental agreement as the housing is provided and collection is reasonably assured. Other income is recognized when earned and collection is reasonably assured.

(d) **DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent donations for capital costs of construction. They are recognized as revenue on the same basis as tangible capital assets are amortized.

SUPPORTIVE HOUSING OF WATERLOO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include HST receivable, the useful lives of tangible capital assets and amortization of deferred capital contributions. Actual results could differ from those estimates.

(f) GIFT IN KIND DONATIONS

Gift in kind donations, which could include gifts or shares or other similar investments, are recorded at fair value when the fair value is easily obtainable.

(g) CONTRIBUTED MATERIALS AND SERVICES

During the year, a number of organizations and individuals donate materials to the organization and a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.

(h) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Buildings	- 40	years straight line basis
Trailer	- 5	years straight line basis
Furniture and fixtures	- 5	years straight line basis
Accessibility renovations	- 5	years straight line basis

(i) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(j) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, unless otherwise noted below.

Investments and capital reserve held by Infrastructure Ontario are measured at fair value. Changes in fair value are recognized in net surplus.

SUPPORTIVE HOUSING OF WATERLOO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) FINANCIAL INSTRUMENTS (continued)

Impairment

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized. If circumstances change, a previously recognized impairment may be reversed.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in net surplus in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2025 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterparty.

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2025	Net 2024
144 Erb Street East				
Land	\$ 737,022	\$ 0	\$ 737,022	\$ 737,022
Building	1,859,799	248,741	1,611,058	1,657,553
Furniture and fixtures	<u>2,817</u>	<u>2,253</u>	<u>564</u>	<u>1,127</u>
Total 144 Erb Street East	<u>2,599,638</u>	<u>250,994</u>	<u>2,348,644</u>	<u>2,395,702</u>
362 Erb Street West				
Land	896,088	0	896,088	896,088
Building	3,782,743	326,028	3,456,715	3,478,632
Furniture and fixtures	84,112	83,502	610	855
Accessibility renovations	31,467	31,467	0	0
Less: Forgivable loan (note 8)	<u>(3,600,000)</u>	<u>0</u>	<u>(3,600,000)</u>	<u>(3,600,000)</u>
Total 362 Erb Street West	<u>1,194,410</u>	<u>440,997</u>	<u>753,413</u>	<u>775,575</u>

SUPPORTIVE HOUSING OF WATERLOO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. TANGIBLE CAPITAL ASSETS (continued)

402 Erb Street West

Land	358,770	0	358,770	358,770
Building	1,906,368	336,899	1,569,469	1,617,128
Furniture and fixtures	<u>22,739</u>	<u>22,739</u>	<u>0</u>	<u>0</u>
Total 402 Erb Street West	<u>2,287,877</u>	<u>359,638</u>	<u>1,928,239</u>	<u>1,975,898</u>

Trailer	<u>26,428</u>	<u>5,285</u>	<u>21,143</u>	<u>25,415</u>
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	<u>\$ 6,108,353</u>	<u>\$ 1,056,914</u>	<u>\$ 5,051,439</u>	<u>\$ 5,172,590</u>
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5. INVESTMENTS

2025 **2024**

Investments

Guaranteed investment certificates with interest ranging from 2.50% to 3.57% (2024 - 2.75% to 3.00%) and maturing between January 2026 to February 2028 (2024 - January 2025 to December 2025)

\$ 319,253	\$ 500,040
<u>0</u>	<u>22,731</u>

Shares in public companies

<u>\$ 319,253</u>	<u>\$ 522,771</u>
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Restricted Investment

Guaranteed investment certificate with interest of 3.30% (2024 - 5.00%), maturing March 2026 (2024 - January 2025)

<u>\$ 102,825</u>	<u>\$ 99,012</u>
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Reserve Investment

Guaranteed investment certificate with interest of 3.20% (2024 - 4.15%), maturing December 2026 (2024 - December 2025)

<u>\$ 100,000</u>	<u>\$ 100,000</u>
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6. UNEARNED REVENUE

Unearned revenue, which consists of the unexpended portion of government funding and donations received that relate to future periods less related expenditures, is as follows:

2025 **2024**

Balance, beginning of the year	\$ 461,938	\$ 90,931
Plus amount received during the year	1,118,424	1,306,769
Less amount recognized as revenue in the year	<u>(1,160,414)</u>	<u>(935,762)</u>
Balance, end of year	<u>\$ 419,948</u>	<u>\$ 461,938</u>

SUPPORTIVE HOUSING OF WATERLOO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

7. LONG TERM DEBT

	2025	2024
TD mortgage payable, repayable in blended monthly instalments of \$3,057, including interest at 5.63%, due December 16, 2027, secured by land and building, with a carrying value of \$1,928,239	\$ 356,223	\$ 372,584
Infrastructure Ontario mortgage payable #2, due March 15, 2031, repayable in blended monthly instalments of \$2,126 including interest charged at 2.77%, secured by land and building, with a carrying value of \$4,352,803	462,971	475,471
Infrastructure Ontario mortgage payable #1, due March 15, 2031, repayable in blended monthly instalments of \$1,204 including interest charged at 2.77%, secured by land and building, with a carrying value of \$4,352,803	262,283	269,360
Kindred Credit Union mortgage payable, principal due January 25, 2026, repayable in monthly interest payments at 6.35%, secured by land and building, with a carrying value of \$2,348,080, renewed after year end	1,720,000	1,720,000
Waterloo Region Community Foundation, unsecured loan payable, principal and interest due January 31, 2026, with simple interest at 6.70%, calculated annually, renewed after year end	<u>459,825</u>	<u>433,385</u>
	3,261,302	3,270,800
Less current portion:		
Cash repayments required within 12 months	<u>37,310</u>	<u>467,578</u>
	<u>\$ 3,223,992</u>	<u>\$ 2,803,222</u>

Subsequent to year end, the Kindred Credit Union loan and the Waterloo Region Community Foundation loan were consolidated in a renewed facility with Kindred Credit Union. Security is consistent with the above noted Kindred Credit Union Facility. As such, the current portion and future principal payments are based on the renewed loan agreement. The organization is in compliance with the TD and Kindred Credit Union mortgage payable debt service coverage ratio.

Future minimum payments on long term debt are as follows:

2026	\$ 37,310
2027	359,994
2028	2,201,229
2029	22,001
2030	22,615
Thereafter	<u>618,153</u>
	<u>\$ 3,261,302</u>

SUPPORTIVE HOUSING OF WATERLOO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8. DEFERRED CAPITAL CONTRIBUTIONS

	2025	2024
Balance, beginning of year	\$ 2,211,640	\$ 2,252,030
Plus additions during the year	0	26,428
Less amount amortized in the year	<u>(72,104)</u>	<u>(66,818)</u>
Balance, end of year	<u>\$ 2,139,536</u>	<u>\$ 2,211,640</u>

In 2009, the organization was approved to receive funding in the amount of \$3,600,000 by Her Majesty the Queen in Right of Ontario as represented by the Minister of Municipal Affairs and Housing for the purchase of tangible capital assets. The full amount of funding was received by July 23, 2010. These funds are subject to terms and conditions stipulated by related agreement. As long as the organization is in compliance with these terms and conditions, the amount of interest on the loan is forgiven. If the organization continues to be in compliance until June 30, 2030, the principal amounts shall be forgiven at that time. As at the current year end, interest in the amount of \$284,040 (2024 - \$284,040) has been forgiven for total cumulative interest forgiven of \$4,260,600 (2024 - \$3,976,560).

The principal amounts referred to above have been included as an offset to property, plant and equipment (note 4). Each year, the interest expense is reflected in these statements and the forgiveness of interest is recognized as an offsetting amount.

During 2016, the organization was approved to receive funding in the amount of up to \$1,130,000 by the Regional Municipality of Waterloo - Affordable Housing Strategy Investment in Affordable Housing for Ontario Program for the construction of nine new affordable rental units at 402 Erb St. West, Waterloo. As of the 2019 year end, the full amount of the funds, \$1,130,000, have been received. These funds are subject to terms and conditions stipulated by the related agreement. As long as the organization is in compliance with these terms and conditions, the principal and interest amounts shall be forgiven.

During 2020, the organization received \$200,000 from the Regional Municipality of Waterloo and \$200,000 from the City of Waterloo to assist with purchasing 144 Erb Street East, Waterloo. As of year end, a total of \$698,440 (2024 - \$698,440) was received for this project.

9. TRANSFERS

During the year, the Board of Directors approved a transfer of \$50,000 (2024 - \$100,000) from the unrestricted net assets to create the internally restricted reserve. A transfer of \$8,493 from the unrestricted net assets to the externally restricted capital reserve was done in compliance with note 2(b).

10. GIFT IN KIND DONATIONS

During the year, the organization received a donation of securities with a fair market value of \$40,621 (2023 - \$21,624).

SUPPORTIVE HOUSING OF WATERLOO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

11. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

12. PRIOR PERIOD RESTATEMENT

The 2024 financial statements have been restated to show the \$83,675 capital reserve held by Infrastructure Ontario as an externally restricted fund. Unrestricted net assets were decreased correspondingly.

CONSOLIDATED SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2025

	144 Erb St Property	362 Erb St Property	402 Erb St Property	Tenant Supports & Administrative	Total
REVENUES					
Region of Waterloo funding	\$ 175,854	\$ 562,228	\$ 0	\$ 3,398	\$ 741,480
Rental	244,760	214,005	70,318	0	529,083
Fundraising (note 10)	2,696	0	0	388,229	390,925
City of Waterloo grants	0	0	0	214,753	214,753
Amortization of deferred capital contributions (note 8)	17,461	17,467	31,890	5,286	72,104
Interest income	362	0	0	23,668	24,030
Other grants	0	0	0	21,784	21,784
Government of Canada funding	0	0	0	5,301	5,301
Other income	1,886	45	0	2,898	4,829
	<u>443,019</u>	<u>793,745</u>	<u>102,208</u>	<u>665,317</u>	<u>2,004,289</u>
EXPENDITURES					
Salaries	150,965	505,849	776	212,941	870,531
Professional fees	7,070	4,225	4,426	282,040	297,761
Interest on long term debt	142,521	20,385	20,322	0	183,228
Repairs and maintenance	38,175	97,942	22,997	3,757	162,871
Amortization	47,058	22,161	47,659	5,286	122,164
Utilities	32,219	52,547	19,757	0	104,523
Insurance	14,571	18,082	9,319	4,905	46,877
Office	585	2,196	0	42,885	45,666
Tenant support	8,156	34,908	2,184	0	45,248
Fundraising and meetings	0	0	0	11,202	11,202
Program	1,621	2,601	0	5,984	10,206
Telephone	0	0	0	2,859	2,859
Interest and bank charges	0	0	0	2,007	2,007
Postage and courier	0	0	0	1,390	1,390
	<u>442,941</u>	<u>760,896</u>	<u>127,440</u>	<u>575,256</u>	<u>1,906,533</u>
SURPLUS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>78</u>	<u>32,849</u>	<u>(25,232)</u>	<u>90,061</u>	<u>97,756</u>
OTHER					
Unrealized gain on Capital Reserve held by Infrastructure Ontario	0	1,881	0	0	1,881
Investment gain	0	0	0	346	346
	<u>0</u>	<u>1,881</u>	<u>0</u>	<u>346</u>	<u>2,227</u>
NET SURPLUS (DEFICIENCY) OF REVENUES OVER EXPENDITURES for the year					
	<u>\$ 78</u>	<u>\$ 34,730</u>	<u>\$ (25,232)</u>	<u>\$ 90,407</u>	<u>\$ 99,983</u>