

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2303



The Regional Municipality of Durham Report

To:	The Shareholder of the Durham Regional Local Housing Corporation
From:	Elaine Baxter-Trahair, Chief Executive Officer, Durham Regional Local Housing Corporation Stella Danos-Papaconstantinou, Deputy Chief Executive Officer, Durham Regional Local Housing Corporation Nancy Taylor, Treasurer, Durham Regional Local Housing Corporation
Report:	Durham Regional Local Housing Corporation Annual Shareholder Meeting
Date:	June 28, 2023

Subject:

2023 Durham Regional Local Housing Corporation Annual Shareholder Meeting

Recommendation:

It is recommended that pursuant to the Ontario *Business Corporations Act*, RSO 1990 (the "OBCA"), the Council of the Regional Municipality of Durham, in its capacity as the sole shareholder of the Durham Regional Local Housing Corporation (the "Corporation"), resolve that:

- A) The financial statements of the Corporation which comprise the Statement of Financial Position as at December 31, 2022, and the Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows for the year ended December 31, 2022, and the Independent Auditor's Report thereon, all as submitted to the shareholder by the board of directors, be received;
- B) The shareholder hereby waives its right to receive general or special notice of an annual meeting of the shareholder of the Corporation;
- C) The shareholder hereby waives its right to receive an advance copy of the corporation's 2022 financial statements and Independent Auditor's Report;
- D) All by-laws, resolutions, contracts, acts and proceedings of the board of directors of the Corporation enacted, passed, made, done or taken since the last annual meeting of shareholder of the Corporation as set forth or referred to in the minutes of the meetings and resolutions of the board of directors in the minute and record book of the Corporation or in the financial statements of the Corporation are hereby approved, ratified and confirmed; and,

- E) The Regional Chair and Clerk be authorized to sign the shareholder's resolution evidencing the approval of the aforementioned matters.
-

Report:**1. Purpose**

- 1.1 This report is submitted to the Regional Municipality of Durham, the sole shareholder of the Durham Regional Local Housing Corporation (the "Corporation"), for the purpose of conducting the statutory annual meeting as required pursuant to the provisions of the Ontario *Business Corporations Act*, RSO 1990 (the "OBCA").

2. Background and OBCA Requirements

- 2.1 The Corporation is incorporated pursuant to the provisions of the OBCA.
- 2.2 The OBCA requires that financial statements be prepared as prescribed by legislation and present the financial position of the Corporation in accordance with generally accepted accounting principles. The 2022 financial statements for the Corporation have been prepared using public sector accounting standards appropriate for a government not-for-profit organization. Deloitte LLP are the current auditors of the Corporation and have completed the audit of the financial statements of the Corporation, which comprise the Statement of Financial Position as at December 31, 2022, and the Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows for the year ended December 31, 2022.
- 2.3 The OBCA requires that the Corporation's financial statements be received before an annual meeting of shareholders within six months of the financial year end referred to in the financial statements. Enclosed herewith as Attachment "A" are the audited financial statements for the year ended December 31, 2022, which were approved by the board of directors on May 24, 2023.
- 2.4 The OBCA provides that a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders. Given that the Regional Municipality of Durham is the sole shareholder of the Corporation it is possible to dispense with the formality of convening an annual shareholder meeting by having Regional Council approve and authorize the execution of a written shareholder's resolution. This method of proceeding has been used previously for annual shareholder meetings of the Corporation and continues to be recommended in the present circumstance.
- 2.5 The OBCA sets out a number of requirements regarding notice of the shareholders meeting and provision of copies of the audited financial statements that are applicable to public corporations but are not typically useful for a corporation with only one shareholder. As such, it is permitted for the sole shareholder of such a

corporation to waive strict compliance with those notice requirements. Such a waiver of this corporate requirement is recommended in the present circumstance.

- 2.6 Finally, it is requested that the shareholder of the Corporation ratify the actions of the board of directors since the preceding annual shareholder's meeting. While the Corporation holds title to its assets, the business of operating the housing stock is conducted by Region of Durham staff under the terms of a service contract with the Corporation. Regional Council has established business and financial reporting practices for all regionally delivered services through its existing committee structure. Any decisions made by the board of directors for the Corporation would be brought for the approval of Regional Council through the reports to the applicable committee. Therefore, the ratification of the board of directors' actions at the annual shareholder's meeting is strictly a corporate formality.

3. Previous Reports and Decisions

- 3.1 A report similar to this one is presented annually to the shareholder of the Corporation to obtain approval and authorization in the execution of the written shareholder's resolution.

4. Relationship to Strategic Plan

- 4.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Goal 5.3 Service Excellence - The financial statements demonstrate the commitment to transparency and accountability by communicating the annual financial results.

5. Conclusion

- 5.1 Given that the Regional Municipality of Durham is the sole shareholder of the Corporation, it is recommended that the shareholder dispense with the formality of convening an annual shareholder's meeting and have Regional Council approve and authorize the execution of a written shareholder's resolution.
- 5.2 It is recommended that all by-laws, resolutions, contracts, acts and proceedings of the board of directors of the Corporation enacted, passed, made, done or taken since the last annual meeting of shareholders of the Corporation as set forth or referred to in the minutes of the meetings and resolutions of the board of directors in the minute and record book of the Corporation or in the financial statements of the Corporation be hereby approved, ratified and confirmed.
- 5.3 Attached hereto as Attachment "B" is a written shareholder's resolution for use with respect to the aforementioned resolutions.

6. Attachments

Attachment A: Durham Regional Local Housing Corporation Audited Financial Statements as at December 31, 2022

Attachment B: Resolutions of the Sole Shareholder of the Durham Regional Local Housing Corporation

Respectfully submitted,

Original Signed By

Elaine Baxter-Trahair
Chief Executive Officer
Durham Regional Local Housing Corporation

Original Signed By

Stella Danos-Papaconstantinou
Deputy Chief Executive Officer
Durham Regional Local Housing Corporation

Original Signed By

Nancy Taylor, BBA, CPA, CA
Treasurer
Durham Regional Local Housing Corporation

Financial statements of

**Durham Regional Local Housing
Corporation**

December 31, 2022

Independent Auditor's Report

To the Board of Directors of
Durham Regional Local Housing Corporation

Opinion

We have audited the financial statements of the Durham Regional Local Housing Corporation (the "Corporation"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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 PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 24, 2023

Durham Regional Local Housing Corporation

Statement of Financial Position

Year ended December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	17,947,333	12,597,157
Accounts receivable	1,922,709	750,866
Region of Durham subsidy receivable	49,138	1,452,643
	19,919,180	14,800,666
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	2,188,902	2,260,180
Rent received in advance	97,022	108,002
	2,285,924	2,368,182
NET FINANCIAL ASSETS	17,633,256	12,432,484
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	12,778,955	11,898,325
ACCUMULATED SURPLUS (Note 4)	30,412,211	24,330,809

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

Durham Regional Local Housing Corporation

Statement of Operations and Accumulated Surplus

Year ended December 31, 2022

	2022		2021
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Rent	7,366,890	7,569,814	7,114,436
Region of Durham subsidy	14,018,800	15,079,340	15,015,323
Other	170,000	372,994	658,812
Federal grant (Note 5)	-	3,420	10,685
Provincial grant (Note 5)	-	1,164,502	224,686
	21,555,690	24,190,070	23,023,942
EXPENSES			
Purchased services	3,892,345	4,226,394	3,970,129
Property taxes	2,709,305	2,712,196	2,642,882
Utilities	2,295,221	2,206,339	2,188,984
Property maintenance, materials and supplies	4,088,119	6,968,310	6,444,842
Renovations and replacements	3,283,368	661,608	936,540
Amortization	943,226	972,740	943,226
Insurance	234,000	234,000	228,000
Administration	236,634	106,969	116,270
Rental write-offs	80,000	20,112	63,994
	17,762,218	18,108,668	17,534,867
ANNUAL SURPLUS	3,793,472	6,081,402	5,489,075
ACCUMULATED SURPLUS, BEGINNING OF YEAR	24,330,809	24,330,809	18,841,734
ACCUMULATED SURPLUS, END OF YEAR	28,124,281	30,412,211	24,330,809

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

Durham Regional Local Housing Corporation

Statement of Change in Net Financial Assets

Year ended December 31, 2022

	2022	2021
	\$	\$
OPERATING		
Annual surplus	6,081,402	5,489,075
Acquisition of tangible capital assets	(1,853,369)	(1,466,070)
Amortization of tangible capital assets	972,739	943,226
Gain on disposal of tangible capital assets	-	(515,750)
Proceeds on disposal of tangible capital assets	-	521,100
Increase in Net Financial Assets	5,200,772	4,971,581
NET FINANCIAL ASSETS, BEGINNING OF YEAR	12,432,484	7,460,903
NET FINANCIAL ASSETS, END OF YEAR	17,633,256	12,432,484

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

Durham Regional Local Housing Corporation

Statement of Cash Flows

Year ended December 31, 2022

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	6,081,402	5,489,075
Non-cash charges to operations		
Amortization of tangible capital assets	972,739	943,226
Gain on disposal of tangible capital assets	-	(515,750)
Change in non-cash assets and liabilities		
Accounts receivable	(1,171,843)	357,240
Region of Durham subsidy receivable	1,403,505	(861,095)
Accounts payable and accrued liabilities	(71,278)	152,465
Rent received in advance	(10,980)	15,134
Net increase in cash from operating activities	7,203,545	5,580,295
CAPITAL ACTIVITY		
Acquisition of tangible capital assets	(1,853,369)	(1,466,070)
Proceeds on disposal of tangible capital assets	-	521,100
Net decrease in cash from capital activities	(1,853,369)	(944,970)
NET INCREASE IN CASH	5,350,176	4,635,325
CASH, BEGINNING OF YEAR	12,597,157	7,961,832
CASH, END OF YEAR	17,947,333	12,597,157

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

Durham Regional Local Housing Corporation

Notes to the Financial Statements

December 31, 2022

1. Incorporation

As part of the provincial local services realignment program, the Regional Municipality of Durham (the “Region”) acts as service manager for social housing located in the municipality. To facilitate the transfer of social housing units of the Ontario Housing Corporation (“OHC”) located in the Region, on January 1, 2001, the Durham Regional Local Housing Corporation (“LHC”) was established under the provisions of the Ontario Business Corporations Act, with the Region as its sole shareholder. Nominal consideration was given for the 100 common shares issued upon incorporation.

Under the provisions of a transfer order prepared under authority of the Social Housing Reform Act, 2000, the LHC was the recipient on January 1, 2001 of assets, liabilities, rights and obligations previously owned by the OHC. Effective on the date of the transfer, the Region, as service manager, and the LHC are responsible for the management and operation of the housing projects transferred and are bound by the requirements set out in the legislation.

Income-producing properties acquired as a result of the transfer were originally financed by the Province of Ontario (the “Province”) through general obligation provincial debentures. At the time of the transfer of ownership of the assets from the OHC to the LHC, the Province did not transfer the responsibility for the repayment of the debentures. Accordingly, the value of the related provincial debentures was not recorded in the LHC’s financial statements.

2. Significant Accounting Policies

The financial statements of the LHC are representations of management prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the LHC and changes thereto. The Statement of Financial Position reports financial assets and liabilities, and the non-financial assets of the LHC. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position of the LHC and is the difference between assets and liabilities.

(a) Basis of accounting

i. Accrual basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

ii. Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

Durham Regional Local Housing Corporation

Notes to the Financial Statements

December 31, 2022

2. Significant Accounting Policies (continued)

(a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives as follows:

	Useful life - years
Land improvements	20
Buildings and building improvements	15 - 55
Vehicles	5
Machinery and equipment	10

Annual amortization is charged in the year of acquisition and in the year of disposal. Tangible capital assets under construction are not amortized until the tangible capital assets are in service.

iii. Government transfers

Government transfers are recognized in the period during which the transfers are authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions to be carried out in order to recognize the transfer. For such transfers, revenue is recognized when the stipulation has been met.

iv. Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include accounts receivable, tangible capital assets, accounts payable and accrued liabilities.

v. Segment disclosure

Revenues and expenses of the segments identified below include amounts that are directly attributable to the segment and amounts that can be allocated on a reasonable basis. The accounting policies used in these segments are consistent with the accounting policies noted above.

(a) Social housing

Represents the property management and operating costs pertaining to the 1,274 social housing units transferred to the LHC from the OHC.

Durham Regional Local Housing Corporation

Notes to the Financial Statements

December 31, 2022

2. Significant Accounting Policies (continued)

(b) Affordable housing

The LHC received funding under the “Canada-Ontario Affordable Housing Program (“AHP”): Rental and Supportive Component” for the development and construction of 12 one bedroom units at the Lakeview Harbourside site in the City of Oshawa, and 5 one bedroom units at the Perry Street site in the Township of Uxbridge. Property management and operating costs charged to this segment are recovered from tenant rents and rent supplements.

3. Tangible Capital Assets

The net book value of tangible capital assets is comprised of the following:

	2022	2021
	\$	\$
Land	46	46
Land improvements	615,272	665,775
Building and building improvements	8,516,831	8,430,998
Vehicles	3,210	12,839
Machinery and equipment	547,152	521,316
	9,682,511	9,630,974
Work in progress	3,096,444	2,267,351
	12,778,955	11,898,325

The Schedule of Tangible Capital Assets (Schedule 1) discloses the changes in cost and accumulated amortization by category.

(a) Work in progress

Work in progress, having a carrying value of \$3,096,444 (2021 - \$2,267,351), has not been amortized. Amortization of these assets will commence when the assets are put in service.

(b) Tangible capital assets recognized at nominal value

Land has been assigned a nominal value due to the difficulty in determining a tenable valuation on these assets.

(c) Works of art or historical treasures

No works of art or historical treasures are held by the LHC.

(d) Other

During the year there were no write-downs of assets (2021 - \$Nil), no interest was capitalized (2021 - \$Nil), and there are no capital lease obligations (2021 - \$Nil).

Durham Regional Local Housing Corporation

Notes to the Financial Statements

December 31, 2022

4. Accumulated Surplus

The accumulated surplus consists of the following:

	2022	2021
	\$	\$
Tangible capital assets	12,778,955	11,898,325
Affordable housing capital reserve	53,157	45,434
Unexpended capital financing for approved capital expenditures	17,580,099	12,387,050
Accumulated surplus	30,412,211	24,330,809

5. Government Transfers

a) Operational

In 2022, the LHC received no provincial grants for operational purposes (2021 - \$40,000).

b) Capital

The LHC received approval for one time provincial grant funding for the repair and retrofit to social housing units to improve living conditions and fight climate change through Ontario's Climate Action Change Plan, Social Housing Apartment Improvement Program ("SHAIP"). The grant funding can only be spent on approved projects and the housing units funded must remain affordable for a ten-year period after the completion of the repair/retrofit activity. Grant funding is recognized as expenditures are incurred.

The renewal of building envelopes at two sites were approved for financing from the Canada Community Building Fund ("CCBF" - previously Federal Gas Tax). Grant funding is recognized as expenditures are incurred.

The following summarizes the eligible costs incurred for approved projects and the grant funding recognized:

Program costs

SHAIP

Building envelope replacements at 155 King St., Oshawa	946,615	67,513
Windows and door replacements at 655 Harwood Ave., Ajax	217,887	117,173

CCBF

Overcladding at 155 King St., Oshawa	2,148	10,685
Windows and Building Automation System at 315 Colborne St. W., Whitby	1,272	-

Total	1,167,922	195,371
-------	-----------	---------

Program funding

Federal grant	3,420	10,685
Provincial grant	1,164,502	184,686

Total	1,167,922	195,371
-------	-----------	---------

Durham Regional Local Housing Corporation

Schedule of Tangible Capital Assets

Year ended December 31, 2022

Schedule 1

	Land	Land improvements	Buildings and building improvements	Vehicles	Machinery and equipment	Work in progress	2022 Total
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	46	1,476,006	33,402,840	342,378	800,461	2,267,351	38,289,082
Additions	-	-	941,093	-	83,183	1,853,369	2,877,645
Work in process completed	-	-	-	-	-	(1,024,276)	(1,024,276)
BALANCE, END OF YEAR	46	1,476,006	34,343,933	342,378	883,644	3,096,444	40,142,451
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	810,231	24,971,842	329,539	279,145	-	26,390,757
Amortization	-	50,503	855,260	9,629	57,347	-	972,739
BALANCE, END OF YEAR	-	860,734	25,827,102	339,168	336,492	-	27,363,496
NET BOOK VALUE, END OF YEAR	46	615,272	8,516,831	3,210	547,152	3,096,444	12,778,955

Durham Regional Local Housing Corporation

Schedule of Tangible Capital Assets

Year ended December 31, 2021

Schedule 1 - Continued

	Land	Land improvements	Buildings and building improvements	Vehicles	Machinery and equipment	Work in progress	2021 Total
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	46	1,288,142	33,439,320	342,378	800,461	990,031	36,860,378
Additions	-	188,750	-	-	-	1,466,070	1,654,820
Work in process completed	-	-	-	-	-	(188,750)	(188,750)
Disposals	-	(886)	(36,480)	-	-	-	(37,366)
BALANCE, END OF YEAR	46	1,476,006	33,402,840	342,378	800,461	2,267,351	38,289,082
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	770,051	24,167,267	317,659	224,570	-	25,479,547
Amortization	-	41,066	835,705	11,880	54,575	-	943,226
Disposals	-	(886)	(31,130)	-	-	-	(32,016)
BALANCE, END OF YEAR	-	810,231	24,971,842	329,539	279,145	-	26,390,757
NET BOOK VALUE, END OF YEAR	46	665,775	8,430,998	12,839	521,316	2,267,351	11,898,325

Durham Regional Local Housing Corporation

Schedule of Segment Disclosure

Year ended December 31, 2022

Schedule 2

	Social Housing	Affordable Housing	2022 Total
	\$	\$	\$
REVENUES			
Rent	7,377,925	191,889	7,569,814
Region of Durham subsidy	15,079,340	-	15,079,340
Other	371,798	1,196	372,994
Federal grant funding	3,420	-	3,420
Provincial grant funding	1,164,502	-	1,164,502
	23,996,985	193,085	24,190,070
EXPENSES			
Purchased services	4,173,200	53,194	4,226,394
Property taxes	2,692,322	19,874	2,712,196
Utilities	2,170,316	36,023	2,206,339
Property maintenance, materials and supplies	6,882,474	85,836	6,968,310
Renovations and replacements	653,885	7,723	661,608
Amortization	972,740	-	972,740
Insurance	231,287	2,713	234,000
Administration	105,805	1,164	106,969
Rental write-offs	20,112	-	20,112
	17,902,141	206,527	18,108,668
ANNUAL SURPLUS	6,094,844	(13,442)	6,081,402
ACCUMULATED SURPLUS, BEGINNING OF YEAR	21,630,828	2,699,981	24,330,809
ACCUMULATED SURPLUS, END OF YEAR	27,725,672	2,686,539	30,412,211

Durham Regional Local Housing Corporation

Schedule of Segment Disclosure

Year ended December 31, 2021

Schedule 2 - Continued

	Social Housing	Affordable Housing	2021 Total
	\$	\$	\$
REVENUES			
Rent	6,924,769	189,667	7,114,436
Region of Durham subsidy	15,015,323	-	15,015,323
Other	657,686	1,126	658,812
Federal grant funding	10,685	-	10,685
Provincial grant funding	224,686	-	224,686
	22,833,149	190,793	23,023,942
EXPENSES			
Purchased services	3,916,786	53,343	3,970,129
Property taxes	2,624,792	18,090	2,642,882
Utilities	2,156,223	32,761	2,188,984
Property maintenance, materials and supplies	6,371,840	73,002	6,444,842
Renovations and replacements	928,911	7,629	936,540
Amortization	943,226	-	943,226
Insurance	225,357	2,643	228,000
Administration	115,271	999	116,270
Rental write-offs	63,914	80	63,994
	17,346,320	188,547	17,534,867
ANNUAL SURPLUS	5,486,829	2,246	5,489,075
ACCUMULATED SURPLUS, BEGINNING OF YEAR	16,143,999	2,697,735	18,841,734
ACCUMULATED SURPLUS, END OF YEAR	21,630,828	2,699,981	24,330,809

RESOLUTIONS OF THE SOLE SHAREHOLDER
OF
DURHAM REGIONAL LOCAL HOUSING CORPORATION

WHEREAS:

1. The Ontario Business Corporations Act (“OBCA”) requires that the board of directors of the Durham Regional Local Housing Corporation (the “Corporation”) call an annual shareholder’s meeting;
2. The standard business to be conducted at a shareholder’s meeting includes the consideration of the Corporation’s financial statements and independent auditor’s report, the approval of the minutes of any prior shareholder’s meetings, the election of directors, and the appointment of an auditor;
3. It is required that any by-laws passed by the board of directors be submitted to the shareholders for confirmation;
4. The Regional Municipality of Durham constitutes the sole shareholder of the Corporation;
5. The shareholder may deal with all matters required to be dealt with at a meeting of shareholders by executing a written shareholder’s resolution;
6. The shareholder may in writing waive its right to notice of a meeting of the shareholders, and its right to receive the financial statements and independent auditors’ report more than ten days in advance of the meeting of the shareholders; and,
7. At its meeting held May 24, 2023, the board of directors of the Corporation approved the audited annual financial statements to be considered by the shareholder.

The undersigned, being the sole shareholder of the Corporation, by its execution hereof consents, pursuant to the provisions of the OBCA to the following Resolutions in lieu of an annual meeting of the shareholder.

BE IT RESOLVED THAT:

1. The financial statements of the Corporation which comprise the Statement of Financial Position as at December 31, 2022, and the Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows for the year ended December 31, 2022, and the Independent Auditor's Report thereon, all as submitted to the shareholder by the board of directors, be and the same are hereby received.
2. The Shareholder hereby waives its right to receive general or special notice of an annual meeting of the shareholder of the Corporation.
3. The shareholder hereby waives its right to receive an advance copy of the Corporation's 2022 financial statements and Independent Auditor's Report.
4. All by-laws, resolutions, contracts, acts and proceedings of the board of directors of the Corporation enacted, passed, made, done or taken since the last annual meeting of shareholders of the Corporation as set forth or referred to in the minutes of the meetings and resolutions of the board of directors in the minute and record book of the Corporation or in the financial statements of the Corporation are hereby approved, ratified and confirmed.
5. The Regional Chair and Clerk be authorized to sign the shareholder's resolution evidencing the approval of the aforementioned matters.

Each of the foregoing resolutions is hereby consented to by the shareholder of the Corporation pursuant to the OBCA this 28th day of June, 2023.

John Henry, Regional Chair and CEO

Alexander Harras, Regional Clerk