

Financial Statements of

**LONDON & MIDDLESEX  
COMMUNITY HOUSING INC.**

And Independent Auditor's Report thereon

Year ended December 31, 2024



**KPMG LLP**

140 Fullarton Street, Suite 1400  
London, ON N6A 5P2  
Canada  
Telephone 519 672 4880  
Fax 519 672 5684

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of London & Middlesex Community Housing Inc.

### ***Opinion***

We have audited the financial statements of London & Middlesex Community Housing Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 financial position of the Entity as at December 31, 2024, and its results of operations, its change in net debt, and its 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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.



## ***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.

## ***Auditors' 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 auditors' 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.



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- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, flowing style. Below the signature is a single horizontal line that starts under the 'K' and extends to the right, ending under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

June 5, 2025

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

## Statement of Financial Position

December 31, 2024, with comparative information for 2023

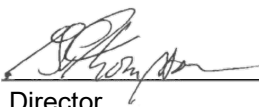
	2024	2023
<b>Financial Assets</b>		
Cash	\$ 4,200,161	\$ 513,297
Restricted cash	810,510	544,235
Accounts receivable (note 4)	4,120,264	4,246,100
Due from The Corporation of the City of London	2,427,477	2,796,240
	11,558,412	8,099,872
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	11,372,484	7,331,461
Cash held in trust	810,510	544,235
Tenant advances	1,006,808	956,834
Unearned miscellaneous revenue	81,454	84,536
Asset retirement obligation (note 13)	37,450,756	36,316,420
CMHC loan (note 9)	7,608,304	2,894,602
	58,330,316	48,128,088
Net debt	(46,771,904)	(40,028,216)
<b>Non-Financial Assets</b>		
Tangible capital assets (note 8)	96,655,166	73,611,712
Prepaid expenses	1,250,744	1,266,636
	97,905,910	74,878,348
Commitments (note 6)		
<b>Accumulated surplus (note 11)</b>	<b>\$ 51,134,006</b>	<b>\$ 34,850,132</b>

See accompanying notes to financial statements.

On behalf of the Board:

*Philip Squire*

Director



Director

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

## Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
<b>Revenue:</b>			
Rental revenue	\$ 14,162,402	\$ 14,335,923	\$ 13,563,029
The Corporation of the City of London:			
Capital funding	—	18,814,122	10,632,740
Rental subsidy	14,220,288	14,220,288	12,630,651
CMHC revenue (note 9)	—	3,053,910	1,359,403
Business Case 19	2,046,000	2,046,000	2,046,000
Business Case 22	—	515,000	—
Other	414,154	645,811	663,435
	30,842,844	53,631,054	40,895,258
<b>Expenses:</b>			
Salaries, wages and employee benefits	8,637,175	8,888,768	7,948,931
Maintenance, materials and services:			
Building, general	5,480,242	6,985,619	7,770,696
Grounds	1,380,713	1,402,912	1,443,300
Painting	387,106	503,699	553,831
Other	141,521	205,513	189,368
	7,389,582	9,097,743	9,957,195
Utilities:			
Electricity	1,926,327	2,024,131	1,973,032
Water	1,692,861	1,682,376	1,639,400
Natural gas	1,380,000	1,262,861	1,125,786
Energy saving project rebates	—	—	(39,328)
	4,999,188	4,969,368	4,698,890
Amortization	—	3,097,816	2,745,193
Asset retirement obligation expense	—	1,371,029	—
Property:			
Municipal taxes	5,545,285	5,842,854	5,434,420
Insurance	1,238,000	1,314,852	1,061,607
	6,783,285	7,157,706	6,496,027
Administration	3,033,614	2,764,750	2,197,071
Total expenses	30,842,844	37,347,180	34,043,307
Annual surplus	—	16,283,874	6,851,951
Accumulated surplus, beginning of year	34,850,132	34,850,132	27,998,181
Accumulated surplus, end of year	\$ 34,850,132	\$ 51,134,006	\$ 34,850,132

See accompanying notes to financial statements.

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

## Statement of Changes in Net Debt

Year ended December 31, 2024, with comparative information for 2023

	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
Annual surplus	\$ —	\$ 16,283,874	\$ 6,851,951
Acquisition of tangible capital assets	—	(26,141,270)	(11,720,746)
Amortization of tangible capital assets	—	3,097,816	2,745,193
	—	(23,043,454)	(8,975,553)
Acquisition of prepaid expenses	—	(1,250,744)	(1,266,634)
Use of prepaid expenses	—	1,266,636	966,537
	—	15,892	(300,097)
Change in net debt	—	(6,743,688)	(2,423,699)
Net debt, beginning of year	(40,028,216)	(40,028,216)	(37,604,517)
Net debt, end of year	\$ (40,028,216)	\$ (46,771,904)	\$ (40,028,216)

See accompanying notes to financial statements.

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

## Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 16,283,874	\$ 6,851,951
Items not involving cash:		
Amortization	3,097,816	2,745,193
Asset retirement obligation expense	1,371,029	—
Changes in non-cash items:		
Accounts receivable	125,836	(1,895,322)
Prepaid expenses	15,892	(300,098)
Due from The Corporation of the City of London	368,762	(1,447,050)
Accounts payable and accrued liabilities	4,041,024	2,760,599
Cash held in trust	266,275	544,235
Tenant advances	49,974	82,397
Unearned miscellaneous revenue	(3,082)	23,717
Asset retirement obligation	(236,693)	—
	25,380,707	9,365,622
Capital activities:		
Acquisition of tangible capital assets	(26,141,270)	(11,720,746)
Financing activities:		
Issuance of CMHC loan	4,713,702	2,123,602
Net increase (decrease) in cash	3,953,139	(231,522)
Cash, beginning of year	1,057,532	1,289,054
Cash, end of year	\$ 5,010,671	\$ 1,057,532
Cash consists of:		
Cash	\$ 4,200,161	\$ 513,297
Restricted cash	810,510	544,235
	\$ 5,010,671	\$ 1,057,532

See accompanying notes to financial statements.



# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

## Notes to Financial Statements

Year ended December 31, 2024

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### 1. Incorporation:

London & Middlesex Community Housing Inc. (formerly London & Middlesex Housing Corporation) (the "Corporation") operates housing accommodation primarily for persons of low and moderate income. The Corporation operates 3,282 units throughout The City of London and the County of Middlesex and is 100% owned by The Corporation of the City of London.

### 2. Significant accounting policies:

The financial statements of the Corporation are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

(a) Tangible capital assets:

- (i) 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 the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Site improvements	25 - 30
Buildings and improvements	25 - 40
Technology and communications	3
Vehicles	10
Furniture and fixtures	10
Machinery and equipment	25
Appliances	10

One half-year's amortization is charged in the year of acquisition.

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

An asset retirement obligation is recognized when, at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 2. Significant accounting policies (continued):

### (a) Tangible capital assets (continued):

#### (i) (continued):

A liability for the removal of asbestos and other hazardous materials in the building owned by the Corporation has been recognized based on estimated future expenses.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in this note.

In addition, the Corporation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

#### (ii) Contributions of capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

### (b) Revenue recognition:

Rental revenue is recognized at the time the service is provided. Other revenues are recognized when the services are earned.

Government transfer payments are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

### (c) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 items subject to such estimates and assumptions include the carrying value of tangible capital assets and the valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 2. Significant accounting policies (continued):

### (d) Budget data:

Budget Figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

### (e) Pension contributions:

The Corporation has a pension agreement with the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined contribution benefit plan. The Corporation's costs are the contributions due to the plan in the period.

### (f) Contaminated sites:

Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organisms that exceeds the environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

### (g) Financial instruments:

PS 3450, *Financial Instruments*, establishes the standards on accounting for and reporting all types of financial instruments including derivatives.

Financial instruments are classified into three categories: fair value, amortized cost or cost. Portfolio investments reported at fair value consist of equity instruments, certain fixed income securities, and any other investments where the investments are managed and evaluated on a fair value basis and the fair value option is elected.

Other financial instruments, including cash, accounts receivable, CMHC loan, and accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment.

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

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### 3. Change in accounting policy – adoption of new accounting standards:

The Corporation adopted the following standards concurrently beginning January 1, 2024 prospectively: PS 3160 *Public Private Partnerships*, PS 3400 *Revenue* and PSG-8 *Purchased Intangibles*.

- (a) PS 3160 *Public Private Partnerships (P3s)* provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. As a result of applying the Public Private Partnership accounting standard it was identified that this accounting standard did not affect the Corporation and therefore no adjusting entries occurred.
- (b) PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.
- (c) PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. No such transactions were identified by the Corporation.

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 4. Accounts receivable:

Accounts receivable recorded on the statement of financial position are composed of the following:

	2024	2023
Rent	\$ 1,417,269	\$ 1,747,410
Allowance for doubtful accounts	(614,269)	(782,979)
Harmonized Sales Tax	1,297,304	845,416
LMHC Accounts Receivable	1,860,354	2,274,066
Sundry	159,606	162,187
	<u>\$ 4,120,264</u>	<u>\$ 4,246,100</u>

## 5. Income producing properties:

The income producing properties held by London & Middlesex Housing Authority and passed through to the Corporation were originally financed by the Province of Ontario through general obligation provincial debentures. At the time of the transfer of ownership the Province did not transfer the responsibility for repayment of these debentures. Accordingly, the value of the provincial debentures associated with them have not been recorded on the Corporation's financial statements.

## 6. Commitments:

### (a) Contractual obligations:

The Corporation is committed to the following minimum annual operating lease payments for premises and equipment

2025	\$ 609,397
2026	158,531

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 7. Pension agreement:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. In 2024 contribution rates are 9.0% for employee earnings below the year's maximum pensionable earnings and 14.6% thereafter. Employee contributions match these rates.

Contributions to OMERS by the Corporation are recognized as an expense in the period they are incurred. A total of \$633,708 was incurred as pension expense in 2024 (2023 - \$564,779).

The last available report for the OMERS plan was on December 31, 2024. At that time, the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion), based on actuarial liabilities for \$142.5 billion (2023 - \$136.2 billion) and actuarial assets for \$139.6 billion (2023 - \$131.9 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

## 8. Tangible capital assets:

Cost	Balance at December 31, 2023	2024 Additions	2024 Disposals	Balance at December 31, 2024
Land	\$ 24,605,751	\$ —	\$ —	\$ 24,605,751
Site improvements	6,938,859	1,623,528	—	8,562,387
Buildings and improvements	148,152,543	9,040,569	—	157,193,112
Technology and communications	1,645,938	33,491	148,541	1,530,888
Vehicles	48,297	22,387	—	70,684
Furniture and fixtures	286,392	10,190	46,200	250,382
Machinery and equipment	5,252,357	432,097	—	5,684,454
Appliances	2,697,308	137,666	1,017	2,833,957
Construction in progress	—	14,841,342	—	14,841,342
<b>Total</b>	<b>\$ 189,627,445</b>	<b>\$ 26,141,270</b>	<b>\$ 195,758</b>	<b>\$ 215,572,957</b>

Accumulated amortization	Balance at December 31, 2023	2024 Disposals	2024 Amortization	Balance at December 31, 2024
Land	\$ —	\$ —	\$ —	\$ —
Site improvements	2,208,579	—	227,399	2,435,978
Buildings and improvements	107,811,125	—	2,482,456	110,293,581
Technology and communications	1,536,932	148,541	88,215	1,476,606
Vehicles	48,297	—	1,119	49,416
Furniture and fixtures	183,284	46,200	14,603	151,687
Machinery and equipment	2,186,685	—	187,705	2,374,390
Appliances	2,040,831	1,017	96,319	2,136,133
Construction in progress	—	—	—	—
<b>Total</b>	<b>\$ 116,015,733</b>	<b>\$ 195,758</b>	<b>\$ 3,097,816</b>	<b>\$ 118,917,791</b>

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 8. Tangible capital assets (continued):

	Net book value December 31, 2023	Net book value December 31, 2024
Land	\$ 24,605,751	\$ 24,605,751
Site improvements	4,730,280	6,126,409
Buildings and improvements	40,341,418	46,899,531
Technology and communications	109,006	54,282
Vehicles	—	21,268
Furniture and fixtures	103,108	98,695
Machinery and equipment	3,065,672	3,310,064
Appliances	656,477	697,824
Construction in progress	—	14,841,342
<b>Total</b>	<b>\$ 73,611,712</b>	<b>\$ 96,655,166</b>

## 9. CMHC credit agreement:

On November 25, 2021, together with the City of London as a guarantor, LMCH entered into a ten-year credit agreement with Canada Mortgage and Housing Corporation (CMHC) to finance repairs and renewal of designated housing units at thirteen sites owned and operated by LMCH. Under the agreement, LMCH will make quarterly drawdowns up to a maximum of \$40,136,090. LMCH plans to draw the full amount by the end of 2027, and 39% of the loan will be forgivable. LMCH will be receiving funds in seven tranches each with its specific interest rate. The first tranche was received on December 9, 2021 with the applicable interest rate of 1.84%, second tranche was received in 2023 and bears interest of 3.01%, third tranche was received in 2024 and bears interest at 3.44%. CMHC funding is allocated to three areas: Energy efficiency, Accessibility and Property Repairs & Renewals. LMCH has an option to extend the term of any of the repayable loans for an additional ten years. At this time the intention is to pay each tranche back to CMHC after the first ten years and waive the option to extend.

	2024	2023
Repayable Loan Tranche 1	\$ 56,255	\$ 57,305
Repayable Loan Tranche 2	4,330,084	2,837,297
Repayable Loan Tranche 3	3,221,965	—
	<b>\$ 7,608,304</b>	<b>\$ 2,894,602</b>

Forgivable loans in the amount of \$3,029,369 (2023 - \$1,359,403) were received during the year and were reflected as CMHC revenue on the statement of operations. Should the Corporation not meet certain requirements throughout the term of the loans they may be required to repay these amounts.

# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 10. Capital allotment:

An approved capital allotment is managed by the City of London to finance future capital expenditures. The allotment has not been recognized in these financial statements and will be accounted for as the funds are received and expensed.

	2024	2023
Opening balance	\$ 10,493,245	\$ 9,407,277
Contributions during the year	8,880,000	8,350,000
Capital expenditures	(4,828,571)	(7,264,032)
	\$ 14,544,674	\$ 10,493,245

## 11. Accumulated surplus:

	2024	2023
Surplus:		
Business Case 18 Co-investment Funding	\$ 449,442	\$ 449,442
CHMC loan	(7,608,304)	(2,894,602)
Invested in tangible capital assets	96,655,166	73,611,712
Asset retirement obligation	(37,450,756)	(36,316,420)
Other	(911,542)	—
	\$ 51,134,006	\$ 34,850,132

## 12. Contingencies:

The Corporation is subject to certain actual and potential legal claims, which have arisen in the normal course of operations. It has been determined by management that the outcome of these claims is not determinable at this point and as such no amount has been included in these financial statements.



# LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 13. Asset retirement obligations:

As at December 31, 2024, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation liability is below:

	2024	2023
Liabilities for asset retirement obligations, beginning of year	\$ 36,316,420	\$ 36,316,420
Additions - inflation remediations	1,371,029	—
Remediations	(236,693)	—
Liabilities for asset retirement obligations, end of year	\$ 37,450,756	\$ 36,316,420

## 14. Financial risks and concentration risk:

### Risks arising from financial instruments and risk management:

The Corporation is exposed to a variety of financial risks including credit risks, liquidity risk and market risk, these risks have not changed significantly from the previous year. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

#### (a) Credit risk:

The Corporation's principal financial assets that are subject to credit risk are cash and accounts receivable. The carrying amounts of financial assets on the Statement of Financial Position represent the Corporation's maximum credit exposure as at the Statement of Financial Position date.

#### (b) Liquidity risk:

The Corporation mitigates liquidity risk by monitoring cash activities and expected outflows through extensive budgeting. Accounts payable and accrued liabilities are all current. There have been no significant changes from the previous year in the Corporation's exposure to liquidity risk or policies, procedures and methods used to measure the risk. All accounts payable and accrued liabilities will be paid within twelve (12) months.

#### (c) Market risk:

The Corporation's financial instruments consist of cash, accounts receivable, loans payable and accounts payable and accrued liabilities. It is Corporation's opinion that it is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

# **LONDON & MIDDLESEX COMMUNITY HOUSING INC.**

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## **15. Comparative information:**

Certain 2023 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.