

Ottawa Community Housing Corporation

Financial statements
December 31, 2018



Independent auditor's report

To the Board of Directors of
Ottawa Community Housing Corporation

Opinion

We have audited the financial statements of Ottawa Community Housing Corporation ["OCHC"], which comprise the balance sheet as at December 31, 2018, and the statement of operations and surplus, statement of reserves and statement of cash flows for the years then ended, and a summary of significant accounting policies.

In our opinion, the financial statements are prepared, in all material respects, in accordance with the Housing Services Act and the guidance in its application by the City of Ottawa as Service Manager as at December 31, 2018.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Ottawa Community Housing Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Basis of accounting and restriction on use

Without modifying our opinion, we draw attention to note 2 to the financial statements, which describes the basis of accounting. As required by the Ontario Business Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Directors, Shareholders and Service Manager of the Corporation. These financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the Housing Services Act and the guidance in its application by the City of Ottawa as Service Manager, and for such internal control as management determines is necessary to enable the preparation of the 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 OCHC'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 OCHC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing OCHC'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 generally accepted auditing standards will always detect a material misstatement when it exists.



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

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 OCHC'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 OCHC'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 OCHC 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.

Ottawa, Canada
May 23, 2019

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants



Ottawa Community Housing Corporation
 Incorporated under the laws of Ontario

Balance sheet

[in thousands of Canadian dollars]

As at December 31

	2018	2017
	\$	\$
Assets		
Current		
Cash and cash equivalents	78,867	79,656
Rent receivable	2,178	2,005
Other accounts receivable	2,669	5,387
HST receivable	3,043	1,489
Prepaid expenses	3,159	2,918
Total current assets	89,916	91,455
Capital assets, net <i>[note 3]</i>	324,050	323,272
	413,966	414,727
Liabilities and shareholders' equity		
Current		
Subsidies payable - City of Ottawa (Service Manager) <i>[note 14]</i>	1,780	407
Accounts payable and accrued liabilities <i>[note 14]</i>	20,723	21,532
Accrued interest on long-term debt	808	816
Prepaid rents	2,035	1,953
WSIB benefits costs - current <i>[note 11]</i>	307	435
Current portion of long-term debt <i>[note 5]</i>	15,955	17,120
Total current liabilities	41,608	42,263
Employee benefits costs <i>[note 10]</i>	4,335	4,295
WSIB benefits costs - future <i>[note 11]</i>	2,603	2,307
Forgivable loans <i>[note 4]</i>	26,816	21,741
Long-term debt <i>[note 5]</i>	263,125	269,348
Total liabilities	338,487	339,954
Contingent liabilities and commitments <i>[note 12 and 13]</i>		
Shareholders' equity		
Contributed surplus <i>[note 7]</i>	2,400	2,400
Reserves <i>[note 8]</i>	73,079	72,373
Total shareholders' equity	75,479	74,773
	413,966	414,727

See accompanying notes

On behalf of the Board:

Director

Director

Ottawa Community Housing Corporation

Statement of operations and surplus

[in thousands of Canadian dollars]

Year ended December 31

	2018	2017
	\$	\$
Revenue		
Rents	69,317	66,672
Subsidies		
Service manager	59,583	62,892
Service manager – safer communities	2,516	2,482
Other revenue	4,950	4,747
	136,366	136,793
Operating costs		
Utilities	25,332	24,158
Building operations	22,153	22,960
Staffing costs	34,324	32,462
Administration and other	6,069	5,811
	87,878	85,391
Fixed costs		
Municipal taxes	1,199	1,167
Interest on long-term debt	11,834	12,186
Depreciation of capital assets	17,263	18,032
	30,296	31,385
Net revenues before reserve contribution for the year	118,174	116,776
Contributions to reserves	(18,192)	(20,017)
Net surplus for the year	—	—

See accompanying notes

Ottawa Community Housing Corporation

Statement of reserves

[in thousands of Canadian dollars]

Year ended December 31

	Capital Reserves Vehicle	Investment in Capital Assets [Equity Program]	Federal Operating Surplus	Equity Operating Surplus	Public Housing Operating Reserve Fund	Community Reinvestment Fund	Green Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
	2017	2018	2017	2018	2017	2018	2017	2018
Balance, beginning of year	47,085	—	12,546	766	1,591	5,069	5,316	72,373
Contributions from operations	17,320	—	—	—	872	—	—	18,192
Other contributions	16,999	—	—	—	—	—	860	17,859
Realized value from Infrastructure Ontario financing [note 3]	7,091	—	—	—	—	—	—	7,091
Interest income	1,075	—	—	17	36	115	120	1,363
Realized gains	—	—	—	—	—	8,193	—	8,193
Expenses	(49,286)	(417)	—	—	—	(1,028)	(596)	(51,327)
Interfund transfers & internal loans	(821)	495	2,958	(766)	—	(2,797)	(500)	(665)
Balance, end of year	39,463	78	15,504	—	2,499	9,552	5,200	73,079
								72,373

See accompanying notes

Ottawa Community Housing Corporation

Statement of cash flows

[in thousands of Canadian dollars]

Year ended December 31

	2018	2017
	\$	\$
Operating activities		
Net revenues before reserve contribution for the year	18,192	20,017
Add item not affecting cash		
Depreciation of capital assets	17,263	18,032
Changes in non-cash working capital balances related to operations		
Rent receivable and other accounts receivable	2,545	(4,809)
HST receivable and prepaid expenses	(1,795)	499
Subsidies payable – City of Ottawa [Service Manager]	1,373	(807)
Accounts payable and accrued liabilities	(809)	3,587
Accrued interest on long-term debt	(8)	23
Prepaid rents	82	340
Employee benefits costs	40	141
WSIB benefits costs	168	149
Cash provided by operating activities	37,051	37,172
Investing activities		
Interest earned on reserves balance	1,363	845
Cash provided by investing activities	1,363	845
Financing activities		
Mortgages, loans and debentures additions	12,451	63,445
Mortgages, loans and debentures repayments	(20,504)	(40,570)
Forgivable loans additions	5,100	12,056
Changes in non-cash financing balances:		
Forgivable loans	(25)	(34)
Cash provided by (used in) financing activities	(2,978)	34,897
Capital activities		
Other contributions made to reserves	26,052	25,042
Acquisition of capital assets	(10,950)	(28,197)
Capital expense charged to reserves	(51,327)	(55,678)
Cash used in capital activities	(36,225)	(58,833)
Net increase (decrease) in cash during the year	(789)	14,081
Cash and cash equivalents, beginning of year	79,656	65,575
Cash and cash equivalents, end of year	78,867	79,656
Supplemental cash flow disclosure		
Cash paid for interest	11,834	12,186

See accompanying notes

Ottawa Community Housing Corporation

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2018

1. Organization

Ottawa Community Housing Corporation [the "Corporation"] provides and manages quality, safe and affordable housing for low and moderate income households in Ottawa.

Most of the mortgaged properties of the Corporation are governed by operating agreements with the Province of Ontario and/or Canada Mortgage and Housing Corporation ["CMHC"]. These agreements include provision for approval of rental rates, depreciation charges and contributions to the capital reserve.

The operating agreements are administered by the Service Manager ["City of Ottawa"] under the *Housing Services Act* ["HSA"]. The HSA came into force on January 1, 2012 and replaces the former *Social Housing Reform Act*.

The Corporation is a non-profit organization under paragraph 149(1)(d) of the *Income Tax Act* (Canada) and, as such, is not subject to income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with the reporting requirements of the HSA and of the City of Ottawa as Service Manager. The basis of accounting differs from Canadian generally accepted accounting standards ["CGAAP"] for the public sector, including the PS4200-4270 series for Government Not-for-profit organizations ["Government NPOs"] due to:

- [a] Capital repairs and replacement, including the acquisition of office furniture and equipment, are charged directly to the Capital Reserve in the statement of reserves [rather than being capitalized on the balance sheet and depreciated over their useful lives].
- [b] Capital assets governed by the reporting requirements of the HSA and of the City of Ottawa are recorded at the net value of the outstanding debt corresponding to those assets.
- [c] When outstanding debt corresponding to assets governed by the reporting requirements of the HSA and of the City of Ottawa is refinanced at an amount greater than the outstanding debt, the difference is recorded as an increase to capital assets and the Capital Assets Reserve.
- [d] Depreciation of capital assets [including land] governed by the reporting requirements of the HSA and of the City of Ottawa is provided on the same basis as the principal repayments on the corresponding debt during the year.
- [e] Interest income, realized and unrealized gains and losses, and any impairment related to marketable securities are recorded directly to the statement of reserves rather than being recorded in the statement of operations and surplus.

Only capital assets within the Equity Program follow CGAAP for the public sector including the PS4200-4270 series for Government NPOs. The Equity Program is deemed to be invested in the Capital Reserve as disclosed in the statement of reserves.

These financial statements are expressed in Canadian dollars and the following is a summary of the significant accounting policies used in the preparation of the Corporation's financial statements:

Ottawa Community Housing Corporation

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2018

Functional currency

The financial statements are stated in thousands of Canadian dollars, which is the functional currency.

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Revenue recognition

The Corporation recognizes subsidies as revenue when received or receivable, if all conditions required for the subsidy are met, the amount to be received can be reasonably estimated and collection is reasonably assured. Grants for capital purposes [repairs or new developments] are recognized as revenue in the Capital Reserve when received. The Corporation uses the accrual method of accounting to recognize rent revenue.

Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt. The carrying values of the Corporation's financial instruments approximate their fair values unless otherwise noted.

Where long-term debt contains forgiveness clauses, they are recorded net of the forgiveness.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of 90 days or less as at the balance sheet date.

Capital assets and depreciation

Capital assets governed by the reporting requirements of the HSA and of the City of Ottawa are recorded at the net value of the outstanding debt corresponding to those assets, less accumulated depreciation. All other capital assets [i.e., Equity Program] are recorded at cost less accumulated depreciation. Cost includes the original cost of the land, buildings and other related costs.

Depreciation of capital assets [including land] governed by the reporting requirements of the HSA and of the City of Ottawa is provided on the same basis as the principal repayments on the corresponding debt during the year. All other capital assets [i.e., Equity Program] are depreciated using the straight-line method based on the estimated useful lives of the assets, which range from 30 to 50 years.

Reserves

Capital repairs and replacement, including the acquisition of office furniture and equipment, are charged directly to the Capital Reserve in the statement of reserves.

Ottawa Community Housing Corporation

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Interest income, realized and unrealized gains and losses and any impairment related to marketable securities are recorded directly to the statement of reserves rather than being recorded in the statement of operations and surplus.

When outstanding debt corresponding to assets governed by the reporting requirements of the HSA and of the City of Ottawa is refinanced at an amount greater than the outstanding debt, the difference is recorded as an increase to capital assets and Capital Reserve.

Employee future benefits and pension agreements

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

- [i] The Corporation's contributions to a multi-employer, defined benefit pension plan are expensed when contributions are due;
- [ii] The costs of termination benefits and compensated absences are recognized when an event that obligates the Corporation occurs. Costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis;
- [iii] The costs of post-retirement employee benefits are actuarially determined using the projected unit credit actuarial cost method. The discount rate is based on the Corporation's internal cost of borrowing and all other assumptions are based on management's best estimate of future events. Actuarial gains or losses are amortized over the expected remaining service life of the related employee groups; and
- [iv] The costs of the workplace safety and insurance obligations ["WSIB"] are actuarially determined based on the present value of future benefits on existing claims. The discount rate is based on the Corporation's internal cost of borrowing. Actuarial gains and losses are amortized over the term of the liabilities.

New Accounting Standards

The **Public Sector Accounting Board** ["PSAB"] issued five new standards effective for fiscal years beginning on or after April 1, 2017. Of these pronouncements, PS 2200 Related Party Disclosures, PS 3320 Contingent Assets and PS 3380 Contractual Rights provide guidance on disclosure requirements only. PS 3420 Inter-Entity Transactions establishes the accounting and reporting of inter-entity transactions and PS 3210 Assets provides additional guidance on the definition of assets as well as disclosure requirements. The applicable standards have been applied on a prospective basis. The adoption of these standards did not result in any financial impact or significant changes to the financial statements.

Future Accounting Pronouncements

Standards effective beginning on or after April 1, 2018

- [i] **Restructuring Transactions** ["PS 3430"] establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor.

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Notes to financial statements

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Standards effective beginning on or after April 1, 2021

- [i] **Financial Statement Presentation** ["PS 1201"] was amended to conform to Financial Instruments ["PS 3450"] and requires a new statement of re-measurement gains and losses separate from the statement of operations.
- [ii] **Portfolio Investments** ["PS 3041"] has removed the distinction between temporary and portfolio investments. This section was amended to conform to PS 3450, and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, Temporary Investments ["PS 3030"] will no longer apply.
- [iii] **Foreign Currency Translation** ["PS 2601"] requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities denominated in foreign currency and non-monetary items included in the fair value category. Unrealized gains and losses are to be presented in the statement of remeasurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item.
- [iv] **Financial Instruments** ["PS 3450"] establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.
- [v] **Asset Retirement Obligations** ["PS 3280"] The new section will require entities to record asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset. Asset retirement costs associated with a tangible capital asset controlled by the entity increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner. Asset retirement costs associated with an asset no longer in productive use are expensed. Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset, or an expense, depending on the nature of the re-measurement and whether the asset remains in productive use.

Standards effective beginning on or after April 1, 2022

- [i] **Revenue** ["PS 3400"] PSAB recently issued a new Section on revenue (PS 3400) proposing a framework which includes two categories of revenue – exchange transactions or unilateral transactions. Revenue from an exchange transaction is recognized when the public sector entity has satisfied the performance obligation(s). If no performance obligation is present, it would be unilateral revenues. Unilateral revenues are recognized when a public sector entity has the authority to claim or retain an inflow of economic resources and a past event gives rise to a claim on economic resources. This new Section will be effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

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The Corporation will assess the impacts of the above standards. While the timing of standards adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation ["PS 1201"], Financial Instruments ["PS3450"], Foreign Currency Translation ["PS 2601"] and Portfolio Investments ["PS 3041"] must be implemented at the same time.

3. Capital assets

Capital assets consist of the following:

	2018 \$	2017 \$
Land	82,341	82,301
Prepaid land leases	1,104	1,104
Buildings and equipment	550,514	533,415
	633,959	616,820
Less accumulated depreciation	309,909	293,548
Net book value	324,050	323,272

In 2018, three properties with a net book value of \$1,909 were refinanced with Infrastructure Ontario ["IO"]. The loan agreement with IO required a market evaluation and Environmental Site Assessment for each property. As a result, the Corporation borrowed \$9,000 from IO, which represents the fair value of the three properties. The Corporation used \$1,909 to repay the outstanding mortgages, the remaining balance of \$7,091 was transferred to the Capital Reserve and the Corporation recorded a corresponding increase in the property value.

Capital assets additions

933 Gladstone Avenue Land

In 2017, the Board of Directors approved the purchase of 7 acres of vacant land at 933 Gladstone for future development. The land was acquired on May 11, 2017 at a cost of \$7,140 and funded 50% through a line of credit and the remaining 50% funded by the Corporation through the Community Reinvestment Fund ["CRF"]. In 2018, \$68 of planning costs were capitalized and added to the land value.

Uplands Drive

On May 12, 2016, the Board of Directors approved an in-fill development within the Ashgrove Community [3225 Uplands Drive], with the construction of 16 family units. In 2016, the City of Ottawa approved a forgivable loan of \$2,400 towards the project, of which \$960 was received in 2018 [2017 – \$1,200] and remaining will be received in 2019. In 2018, the total construction costs of \$3,345 [2017 – \$752] were financed from the CRF and capitalized and added to the building value. The project is expected to be completed in 2019 at a total cost of \$4,700.

900 Merivale Road [Carlington Community Health Hub]

On November 17, 2016, the Board of Directors approved a final construction budget for the joint venture with Carlington Community Health Centre ["CCHC"]. The Corporation has leveraged a partnership to build 42 units of seniors housing. The Corporation has secured funding from the City of Ottawa of \$4,600 to fund that portion of

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costs related to the housing units. In 2018, the Corporation received \$4,140 of funding in the form of a forgivable loan and the remaining portion will be received in 2019. In 2018 the total construction costs of \$6,546 [2017 – \$2,380] were funded by the CRF and capitalized and added to the building value. The project is expected to be completed in 2019 at a total cost of \$9,700.

Overbrook

In 2017, the Board of Directors approved development of 2 new units located at 208-210 Prince Albert Street. The project is expected to be completed in 2019 at a total cost of \$500. In 2018, the total construction costs of \$72 were financed from the CRF and capitalized and added to the building value.

811 Gladstone Avenue

In 2017, the Board of Directors approved the demolition of 26 existing end-of-lifecycle townhouses from the Rochester Heights community to replace them with development of new affordable housing apartments within a six-storey building and affordable stacked townhomes. In 2018, the 1.2-acre site was cleared and re-graded for the new development. The construction will commence in summer 2019 and is expected to be completed in 2021 at a total cost of \$44,300. The Corporation has secured the City of Ottawa funding of \$20,672 provided under the Investment in Affordable Housing [\$12,611], Social Infrastructure Fund [\$5,931], and Action Ottawa contributions [\$2,130] to be received over construction time. The remaining construction costs will be financed from the CRF and mortgage financing. In 2018, the Corporation incurred \$945 in demolition and consulting costs, which were funded by the CRF.

Disposition of properties

As of November 30, 2015, the Board of Directors has adopted a comprehensive approach to portfolio management that includes new development and divestiture of select stock. In 2018, the Corporation sold 29 units [2017 – 32 units]. The proceeds from the sale of these amounted to \$8,193 [2017 – \$9,010] and were allocated to the CRF to support future development.

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[in thousands of Canadian dollars]

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Forgivable loans

Forgivable loans consist of the following:

	2018	2017
	\$	\$
Canada-Ontario AHP [380 Somerset]	1,740	1,740
Canada-Ontario AHP [245 Crichton]	720	720
Canada-Ontario AHP [140 Den Haag Drive]	10,856	10,856
Canada-Ontario AHP [3225 Uplands Drive]	2,160	1,200
Canada-Ontario AHP [900 Merivale road]	4,140	—
Residential Rehabilitation Assistance Program	—	25
Housing and Poverty Reduction [714 Carson]	4,000	4,000
Housing and Homelessness Investment [Old St. Patrick]	1,200	1,200
2014 and Capital Grant [2926 Michele Drive]	800	800
Dover Court Recreation Center [2 Van Lang Private]	1,200	1,200
	26,816	21,741

Canada-Ontario Affordable Housing Program [“AHP”]

The AHP loans are not repayable as long as the project is operated within the terms and conditions of the agreement entered into with the Ministry of Municipal Affairs and Housing [“MMAH”]. If the agreements are breached, the full value of the loans may be repayable prior to the maturity date. As at December 31, 2018, the Corporation is in compliance with the terms and conditions of these agreements.

In 2018, the Corporation received additional AHP forgivable loans for Uplands Drive and 900 Merivale Road:

Uplands Drive

In 2017, the City of Ottawa approved a forgivable loan of \$2,400 towards the development of 3225 Uplands Drive, of which \$960 was received in 2018 [2017 – \$1,200] and remaining will be received in 2019. The loan is not repayable as long as the project is operated within the terms and conditions entered into with the City of Ottawa. If the agreement is breached, the full value of the loan may be repayable at any time during the 35-year term ending on January 24, 2052.

900 Merivale Road

In 2015, City of Ottawa approved a forgivable loan of \$4,600 towards the development of the CCHC, of which \$4,140 has been received by the Corporation. The loan is not repayable as long as the project is operated within the terms and conditions entered into with the City of Ottawa. If the agreement is breached, the full value of the loan may be repayable at any time during the 35-year term ending on January 1, 2054.

Residential Rehabilitation Assistance Program [“RRAP”]

These loans have been recorded as leasehold improvements, which are depreciated at the same rate that the loans are forgiven. The balance of the RRAP loans is not repayable as long as projects are managed and operated

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within the terms and conditions of the mortgage and operating agreement entered into with CMHC. The agreement expired in 2018.

Housing and Poverty Reduction Investment Plan

The loan is not repayable as long as the project is operated within the terms and conditions entered into with the City of Ottawa. If the agreement is breached, the full value of the loan may be repayable at any time during the 35-year term ending on January 1, 2049.

Housing and Homelessness Investment Plan

The loan is not repayable as long as the project is operated within the terms and conditions entered into with the City of Ottawa. If the agreement is breached, the full value of the loan may be repayable at any time during the 35-year term ending on March 1, 2050.

5. Long-term debt

	2018	2017
	\$	\$
Mortgages	45,608	50,507
Debentures – Public Program	15,185	22,439
Debentures – Infrastructure Ontario	206,982	202,458
Line of credit	10,640	11,064
Internal loans	665	—
	279,080	286,468
Less current portion of long-term debt	15,955	17,120
Long-term debt	263,125	269,348

In 2018, the Corporation, working with IO, the City of Ottawa and the Ministry of Housing, refinanced three properties with long-term debt negotiated with IO. By extending the amortization period on new debt with a fixed interest rate, the Corporation generated additional funds for capital repair. The City of Ottawa has provided a commitment to extend the period of the mortgage subsidy on these three properties and provides payments directly to IO as a payment guarantee. The refinancing was secured in the form of a promissory note in the amount of \$9,000 for long-term financing. The note is repayable over 30 years at an interest rate of 3.75%, compounded monthly.

In 2018, the Corporation refinanced a property known as 138 Arlington Avenue with the Bank of Montreal in the amount of \$3,450 at an interest rate of 3.91% with maturity date January 1, 2029. After discharge of the current mortgage from TD Bank, the net proceeds of \$2,579 have been allocated to the CRF.

In 2018, the Corporation bridge financed Woodland Place in the amount of \$728 from the Capital Fund at an interest rate of 3.15% [consistent with the previous lender interest rate]. As at December 31, 2018, a principal balance of \$665 [2017 – nil] was outstanding.

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Principal repayments required for the years from 2019 to 2023 and thereafter for the Corporation's outstanding debt are expected to be approximately as follows:

	\$
2019	15,955
2020	14,048
2021	12,737
2022	11,611
2023	11,203
Thereafter	213,526
	<u>279,080</u>

6. Credit facility

The Corporation may avail up to \$2,000 with a chartered bank in the form of an operating credit line and/or standby letters of credit and/or letters of guarantee. The Corporation has outstanding letters of credit totalling \$140 on these instruments. These instruments bear interest at the bank's prime rate. The chartered bank includes a commission of 2.00% per annum and other fees of 0.25% per annum.

In 2016, the Corporation secured \$6,000 of a non-revolving bank loan with a chartered bank to fund 50% of the purchase price for parcels of vacant land for the construction of social housing. In 2018, the Corporation had drawn nil [2017 - \$3,500 to fund 50% of the purchase of Gladstone land]. This instrument bears interest at the bank's prime rate, plus 0.25% per annum.

7. Contributed surplus

The contributed surplus of \$2,400 consists of \$1,650 that represents the net assets of the predecessor company [the City of Ottawa Non-Profit Housing Corporation] that was transferred to the Corporation effective September 2, 2002. The remaining \$750 represents the land value for the Crichton Street property that was gifted by the shareholder in 2010.

8. Reserves

The Corporation has the following reserves:

[a] Capital Reserve

Capital Reserve for the renovation or improvement of the contributing property for work that meets the definition of capital repairs and maintenance. In addition, acquisitions of new capital assets required to maintain and manage the portfolio are expensed against the Capital Reserve.

Contributions are made on an annual basis in accordance with program requirements or operating agreements. The contributions from operations amounted to \$17,320 in 2018 [2017 - \$18,668].

Ottawa Community Housing Corporation

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In 2018, the Corporation received funding allocations for capital repair under the following federal and provincial programs:

- The Social Housing Improvement Program ["SHIP"] – \$2,813 [2017 – \$5,453]
- The Social Housing Apartment Retrofit Program – \$3,867 [2017 – 7,987]
- The Social Housing Apartment Improvement Program – \$9,814 [2017 – nil]

The funds were received in agreed schedules related to the delivery of associated capital work.

The funding under the SHIP, which aims to improve and preserve the quality of social housing through capital renovations and retrofits of the existing portfolio, was provided during 2016-2018. The multi-year retrofits were completed in 2018. During 2016-2018, the Corporation received \$8,701 in funding and expensed \$8,828 for the related projects.

	Funding	Expenditures
	\$	\$
2016	435	7
2017	5,453	4,336
2018	2,813	4,485
	<u>8,701</u>	<u>8,828</u>

In this fiscal year, the Capital Reserve received \$335 [2017 – \$260] from the Investment in Capital Assets Reserve to recognize annual amortization.

In 2018, \$495 [2017 – \$463] was transferred from the Capital Reserve to the Vehicle Reserve to support purchasing of new vehicles.

In addition, the Capital Reserve fund has supported the following internal borrowings:

- In 2018, the Corporation bridge financed the Strathcona Renovations 2 in the amount of \$140 from the Capital Fund for the period of April 2018 to September 2018. This liability is being repaid at interest rate of 4.37% [consistent with previous lender interest rate]. In 2018, the Corporation recorded \$3 in interest expense and \$6 in principal repayments. This loan was bridge financed for six months during the year, and as at December 31, 2018, a principal balance was paid off.
- In 2018, the Corporation bridge financed Woodland Place in the amount of \$728 from the Capital Fund. This liability is being repaid at an interest rate of 3.15% [consistent with previous lender interest rate]. In 2018, the Corporation recorded \$7 in interest expense and \$64 in principal repayments. As at December 31, 2018, a principal balance of \$665 [2017 – nil] was outstanding.

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[b] Vehicle Reserve

The Vehicle Reserve is used for the acquisition of new vehicles, and \$417 [2017 – \$463] was expensed during the year for the purchase of new vehicles. The Vehicle Reserve received \$495 [2017 – \$463] from the Capital Reserve to support vehicles renewal planning.

[c] Investment in Capital Assets Reserve

The Investment in Capital Assets Reserve consists of housing acquisitions within the Equity Program. The reserve balance reflects the depreciation of the assets.

In 2018, the Corporation increased the Investment in Capital Assets Reserve by \$2,958 [2017 – \$5,335], which reflects an increase of \$10,976 [2017 – \$6,999] due to capitalization of ongoing developments and a decrease of \$8,018 [2017 – 1,663] due to the following interfund transfers:

- \$339 transferred to the Capital Reserve to recognize annual amortization;
- \$5,100 transferred to the Community Reinvestment Fund to reflect receipt of forgivable loans for the CCHC of \$4,140 and 3225 Uplands Drive of \$960; and
- \$2,579 transferred to the Community Reinvestment Fund to reflect receipt of additional mortgage financing for 138 Arlington Avenue.

[d] Federal and Equity Operating Surplus

The Federal Operating Surplus was identified in 2004 and consisted of the cumulative operating surpluses generated in the Community Sponsored and the Limited Dividend Apartments programs. In 2017, the operating agreements for these programs expired as related mortgages were refinanced without title restriction. As a result, the Operating Agreement for the Federal Program is no longer applicable. With the consent of the Service Manager, the Federal Operating reserve opening balance of \$766 was transferred to the Equity Operating discretionary reserve in 2018.

[e] Public Housing Operating Reserve

In 2008, the Service Manager and the Corporation agreed on a new operating agreement that took effect January 1, 2009, which includes a revision to the calculation of subsidy funding for the Public Housing Program. The new subsidy funding follows a formula similar to the Provincial Reformed Program and allows for both an Operating and a Capital Reserve for the Public Housing Program. Contributions are made at year-end in amounts set down in the subsidy calculations.

[f] Community Reinvestment Fund

The Community Reinvestment Fund is a discretionary reserve that exists to maintain or develop housing or services. In 2014, the divestiture strategy of selling scattered units was reviewed and approved by the Board of Directors. The proceeds from such sales are to be contributed to the CRF and used to support new housing development. In 2018, the gross proceeds from the sales amounted to \$8,193 [2017 – \$9,010] and were contributed to the CRF.

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In 2018 the net interfund transfer from the CRF was \$2,797 [2017 – \$5,595], which reflects a transfer of \$10,976 [2017 – \$6,999] to the Investment in Capital Assets Reserve to recognize ongoing developments and an increase of \$8,179 [2017 – \$1,404] due to the following interfund transfers:

- \$5,100 transferred from the Investment in Capital Assets to reflect receipt of forgivable loans for the CCHC of \$4,140 and 3225 Uplands Drive of \$960;
- \$2,579 transferred from the Investment in Capital Assets to reflect receipt of additional mortgage financing for 138 Arlington Avenue; and
- \$500 transferred from the Green Fund to support the PassivHaus component of the CCHC. The PassivHaus is the standard for energy efficiency buildings, and results in ultra-low energy buildings that require little energy for space heating or cooling.

[g] Green Fund

The Green Fund was established in 2010 from grants received under the EcoENERGY Retrofit and Ontario Homes Energy Savings programs. The use of the reserve, which is at the discretion of management, is to support specific operational or capital expenditures that increase the environmental sustainability of the Corporation. Further contributions to the reserve may come from:

- Net receipts from energy grants that have not formed part of the budget envelope of the Capital Works Program;
- A proportion of net savings generated from sustainability projects when systems are in place to adequately quantify such savings; and
- A proportion of new income generated by sustainability projects [i.e., sale of energy].

In 2018, the Green Fund received nil [2017 – \$865] contributions from operations. In 2018, the Corporation received contributions of \$860 [2017 – \$467] from grants, rebates and photovoltaic electricity sales to support green initiatives.

In 2018 \$500 [2017 – nil] was contributed from Green Fund to the CRF to support PassivHaus expenditures related to the CCHC development.

9. Pension agreements

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund ["OMERS"], which is a multi-employer plan, on behalf of most 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 length of service and rates of pay. The Corporation's contribution to the OMERS plan for 2018 was \$2,807 [2017 – \$2,607] for current services and is included as an expense in the statement of operations and surplus. These contributions were matched with identical employee contributions for both years.

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[in thousands of Canadian dollars]

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10. Employee benefit costs

Employee benefit costs consist of the following:

	2018 \$	2017 \$
Post-retirement benefits	3,108	3,060
Vested employee benefits	1,227	1,235
	4,335	4,295

The defined benefit plan relating to post-retirement benefits provides medical benefits to the Corporation's employee bargaining units and is applicable to employees who retire between the ages of 55 and 65 with an unreduced pension.

The continuity for post-retirement benefits for 2018 is as follows:

	\$
Balance, beginning of year	3,060
Service cost	113
Interest cost	82
Amortization of actuarial gain	(53)
Benefits paid	(94)
Balance, end of year	3,108

The liability for post-retirement benefits is calculated based on estimates of future outlays required under contractual agreements with the Corporation's employee bargaining units. These estimates are based on a number of assumptions regarding the expected costs of benefits, which are dependent on the demographic makeup of the bargaining units, future interest rates, and inflation rates. The Corporation engages the services of an actuarial consulting firm to provide a determination of the Corporation's obligation for post-retirement benefits.

Due to the complexities in valuing the plan, an actuarial valuation is conducted on a periodic basis. The liabilities reported in these financial statements are based on a valuation as at June 30, 2017 with an extrapolation to December 31, 2018.

Gains and losses are generated each year due to changes in certain assumptions and clarifications to the plan previously provided by the Corporation. These gains and losses are not expensed in the current year but rather are amortized over the expected average remaining service life of the related employee groups. In 2018, amortization began for a 2017 gain of \$172. Amortization for a 2018 gain of \$111 will commence in 2019.

A number of estimates and assumptions are utilized in determining an actuarial valuation of benefit plans. The significant actuarial assumptions adopted in measuring the Corporation's accrued obligation for post-retirement and benefit cost for post-retirement benefits are as follows:

Ottawa Community Housing Corporation

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December 31, 2018

	2018 \$	2017 \$
Discount rate	3.80%	3.30%
Health care inflation rate	9.0% grading linearly to 4.5% in 2031	9.0% grading linearly to 4.5% in 2031

11. WSIB

The Corporation is a Schedule 2 Employer under the *Workplace and Safety Insurance Act* and, as such, assumes full responsibility for financing its workplace safety insurance costs. The accrued obligation represents the present value of future benefits on existing claims.

The continuity for WSIB benefits costs for 2018 is as follows:

	\$
Balance, beginning of year	2,742
Plan amendment	23
Service cost	342
Interest cost	99
Amortization of actuarial loss	(3)
Benefits paid	(293)
Total balance including current portion	2,910
Less current portion of WSIB benefits costs	(307)
Balance, end of year	2,603

The liability for WSIB benefits is calculated based on the present value of future benefits on existing claims. The Corporation engages the services of an actuarial consulting firm to provide a determination of the Corporation's obligation for future WSIB benefits.

Due to the complexities in valuing the future benefit costs, actuarial valuations are conducted on a periodic basis. The liabilities reported in these financial statements are based on a valuation as at December 31, 2017 with an extrapolation to December 31, 2018.

Gains and losses are generated for each valuation due to changes in certain assumptions and changes in existing claims previously provided by the Corporation. These gains and losses are not expensed in the current year, but rather are amortized over the term of the liabilities, which is approximately 10 years.

A number of estimates and assumptions are utilized in determining an actuarial valuation of the future benefit costs. The significant actuarial assumptions adopted in measuring the Corporation's present value of future benefits per the most recent valuation are as follows:

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December 31, 2018

	2018	2017
	\$	\$
Discount rate	3.75	4.25
Loss of earnings	1.25	1.75
Health care benefits	(0.75)	(1.75)
Fully indexed survivor benefits	2.00	2.25
Non-economic loss awards	2.00	3.75

12. Contingent liabilities

In the normal course of operations, the Corporation becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending as at December 31, 2018 cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the Corporation's financial position or results of operations.

13. Commitments

The Corporation has contractual commitments on capital projects as at December 31, 2018 in the amount of \$16,107 [2017 – \$23,097].

14. Related party transactions

The Corporation transacts with its sole shareholder, the City of Ottawa and its subsidiaries, who also acts as the Service Manager for the subsidized programs. The transactions include receipt of subsidy payments and capital grants, purchases of electricity and water and sewage services and payment of property taxes. These transactions are all in the normal course of business for the Corporation.

Revenue and accounts payable/receivable

Total subsidy revenue amounted to \$62,099 [2017 – \$65,374], with a balance of \$1,780 payable as at December 31, 2018 [2017 – \$407 payable].

Expenses and accounts payable

The following expenses are included in the statement of operations and surplus for the year ended December 31, 2018:

	2018	2017
	\$	\$
Property tax	1,199	1,167
Electricity charges	7,517	8,741
Water and sewage costs	13,385	10,716

Ottawa Community Housing Corporation

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[in thousands of Canadian dollars]

December 31, 2018

Included within accounts payable and accrued liabilities on the balance sheet as at December 31, 2018 is a balance payable of \$2,397 [2017 – \$2,797 payable].

15. Capital management

In managing capital, the Corporation focuses on liquid resources available for operations and capital expenditures. The Corporation's objective is to have sufficient liquidity to manage both operating and capital expenditures. The need for sufficient liquidity is considered in the preparation of an annual budget and in the monitoring of cash flows and actual results compared to the budget. As at December 31, 2018, the Corporation has met its objective of having sufficient liquidity to meet its current obligations.

16. Financial instruments

Credit risk

The Corporation is exposed to credit risk on the rents receivable from tenants and on other receivables from other parties. In order to reduce its credit risk, the Corporation has adopted credit policies that include the regular review of outstanding receivables. The Corporation does not have a significant exposure to any individual tenant or other parties.

Interest rate risk

The investments with flexible interest rates will expose the Corporation to interest rate risk. There is risk of market value adjustments on investments, which may result in cash flow risk. As at December 31, 2018, the Corporation has no holdings in equities or bonds.

The short-term bank credit facilities bear interest at fluctuating rates. Due to the positive cash flow of the Corporation, there has been no need to use the credit facility in the last few years, thus the exposure to interest rate risk on this facility is nominal. All other financial assets and liabilities, in the form of receivables and payables, are non-interest bearing. There is an interest rate risk in the Equity Program with regard to refinancing of mortgages at renewal.

Market risk

Market risk includes the risk arising from changes in interest rates and the risks arising from the failure of a party to a financial instrument to discharge an obligation when it is due.

Concentration of risk exists when a significant portion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. The Corporation has adopted an investment policy, with a target mix of investment types designed to achieve optimal return within reasonable risk tolerance. As at December 31, 2018, the Corporation has no holdings in equities or bonds.

SCHEDULE OF MORTGAGES, DEBENTURES & LOANS

INSTITUTION	Program & Property	Maturity Date	Renewal Date if different from Maturity	Interest Rate %	Principal Dec 31/2017 \$	Mortgage renewal Issued in 2018 \$	Interest \$	Repayments 2018		Principal Dec 31/2018 \$
								Principal \$	Yearly Payment \$	
BANK OF MONTREAL										
Provincial Reformed	Hintonburg Place	2028/03/01		6.011%	4,383,667	—	248,770	319,687	568,457	4,063,980
Equity General	Head Office	2031/05/01	2021/05/01	2.790%	1,247,688	—	33,361	77,860	111,221	1,169,828
	Carson Road	2041/01/01	2026/01/01	3.900%	2,855,962	—	106,069	79,415	185,484	2,776,547
	Arlington	2029/01/01		3.910%	—	3,450,000	—	—	—	3,450,000
	Gladstone Village	2021/05/31		Prim +25%	3,500,000	—	132,469	—	132,469	3,500,000
Total Bank of Montreal					11,987,317	3,450,000	520,669	476,962	997,631	14,960,355
CANADA MORTGAGE AND HOUSING CORPORATION										
Limited Dividend - Apartments										
	Tapiola Court	2019/08/01		3.440%	616,671	—	15,363	365,882	381,245	250,789
	Beausejour 4	2020/06/01		3.150%	51,404	—	1,322	20,078	21,400	31,326
	Haley Court	2021/04/01		3.150%	190,567	—	5,177	55,094	60,271	135,473
	Christie Place	2021/06/01		3.150%	809,809	—	22,167	222,382	244,549	587,427
	Woodland Place	2018/09/01		3.150%	916,502	(728,495)	19,818	188,007	207,825	—
Provincial Reformed										
	Strathcona: Renovations 2	2018/03/01		4.370%	143,157	(140,347)	1,519	2,810	4,329	—
	Lavigne Court	2024/07/01	2019/09/01	3.440%	1,648,809	—	52,775	227,266	280,041	1,421,543
	Cameron Court	2023/06/01	2021/06/01	3.150%	1,632,031	—	47,129	276,229	323,358	1,355,802
	Esson Place	2023/06/01	2021/06/01	3.150%	1,543,141	—	44,562	261,184	305,746	1,281,957
Total CMHC					7,552,091	(868,842)	209,832	1,618,932	1,828,764	5,064,317
SCOTIA MORTGAGE & LINE OF CREDIT										
Municipal Non-Profit										
	Woodland Place	2018/09/01		4.443%	619,483	(500,748)	18,957	118,735	137,692	—
Provincial Reformed										
	Cumberland/George	2020/01/01		3.390%	1,512,316	—	47,415	227,855	275,270	1,284,461
	Winthrop Court	2018/09/01		4.443%	1,448,361	(1,273,849)	45,897	174,512	220,409	—
	Marion Dewar Place	2024/05/01		5.830%	6,543,085	—	368,509	321,512	690,021	6,221,573
Community Sponsored										
	Carson/Paul; Riddell; Edgeworth 460; Tweedsmuir; Beausejour 2; Ashgrove	2027/06/01		Floating+1.10%	7,564,264	—	219,214	424,234	643,448	7,140,030
Total Scotia Mortgage & Line of Credit					17,687,509	(1,774,597)	699,992	1,266,848	1,966,840	14,646,064

Ottawa Community Housing Corporation

SCHEDULE OF MORTGAGES, DEBENTURES & LOANS

INSTITUTION

	Program & Property	Maturity Date	Interest Rate %	Principal Dec 31/2017 \$	Mortgage renewal Issued in 2018 \$	Interest \$	Repayments 2018 Principal \$	Yearly Payment \$	Principal Dec 31/2018 \$
TORONTO DOMINION BANK	Equity General								
	380 Somerset St	2026/04/01	2.700%	3,379,228	—	89,434	105,608	195,042	3,273,620
	Arlington	2018/12/01	6.040%	931,495	(869,696)	54,601	61,799	116,400	—
	Provincial Reformed								
	Lady Stanley Place	2023/08/01	6.005%	2,443,542	—	134,861	373,814	508,675	2,069,728
	Vachon Place	2023/11/01	5.967%	2,511,586	—	142,884	192,358	335,242	2,319,228
	McAuley Place	2024/06/01	6.100%	6,930,333	—	403,978	493,110	897,088	6,437,223
	Scotthill	2024/12/01	6.752%	5,622,959	—	361,758	419,243	781,001	5,203,716
	Total Toronto - Dominion Bank			21,819,143	(869,696)	1,187,516	1,645,932	2,833,448	19,303,515
	Royal Bank Municipal Non-Profit	Brian Bouims, Place	2019/08/01	4.204%	1,132,210	—	45,201	104,738	149,939
Strathcona: Wiggins, 300		2021/03/01	4.088%	1,393,389	—	53,771	146,925	200,696	1,246,464
Total Royal Bank				2,525,599	—	98,972	251,663	350,635	2,273,936
GRAND TOTAL ALL MORTGAGES				61,571,659	(63,135)	2,716,981	5,260,337	7,977,318	56,248,187

SCHEDULE OF DEBENTURES - INFRASTRUCTURE ONTARIO

INSTITUTION

Program & Property	Maturity Date	Interest Rate %	Principal Dec 31/2017 \$	Mortgage renewal Issued in 2018 \$	Interest \$	Repayments 2018 Principal \$	Yearly Payment \$	Principal Dec 31/2018 \$
Infrastructure Ontario								
Various Projects	2040/08/16	4.960%	16,303,473	—	799,651	399,497	1,199,148	15,903,976
Equity General								
312 Cumberland	2036/06/02	4.710%	3,865,709	—	179,202	134,234	313,436	3,731,476
Richelleu Court	2036/07/15	4.600%	1,092,972	—	49,480	38,118	87,598	1,054,854
Ron Kolbus Place	2043/12/16	4.540%	4,097,860	—	184,299	84,487	268,786	4,013,373
Den Haag	2045/07/02	3.680%	6,791,249	—	247,492	144,808	392,300	6,646,441
Tranche 1-2012								
Lebreton1, Fairlea Court, Rockingham, Hasenack Place, Lebreton 55-65, Blohm Court	2042/07/03	3.930%	23,136,381	—	899,061	570,227	1,469,288	22,566,154
Tranche 2-2012								
Allard Place, Strathcona: Sentier	2042/12/03	3.870%	8,534,430	—	326,643	206,607	533,250	8,327,823
Tranche 1-2013								
Strathcona: Renovations 1 Gilmour May Nickson Place	2042/08/02	4.340%	10,796,929	—	463,963	234,300	698,263	10,562,629
Tranche 2-2013								
Bruyère & Bélanger Manor Eva Taylor Strathcona: Nancy Smith Orchard Grove Revell Court	2043/12/02	4.530%	15,176,366	—	681,036	313,364	994,400	14,863,002
Tranche-2014								
Strathcona: Wiggins, 206-296 Silver Heights	2044/11/03	3.810%	8,803,856	—	332,109	191,334	523,443	8,612,522
Tranche-2015								
Thorncliffe Court; Spadina Place; Nepean Place	2045/10/15	3.790%	11,610,447	—	435,898	239,846	675,744	11,370,601
Tranche 1-2016								
212 Bronson Avenue; 1433 Mayview; 507 Riverdale	2046/05/02	3.610%	9,601,625	—	343,374	197,413	540,787	9,404,212

Tranche 2-2016									
Cahill Place; Cairine Court; Dubeau Court; Bathgate Court; Lebreton 2; Strathcona Wiggins 301-427; Strathcona Goulburn 300; St. Laurent Place	2046/08/02	3.270%	37,664,726	—	1,219,619	806,580	2,026,199	36,858,146	
Tranche 1-2017									
Loretta/Young; Shearwater Court; Karsh Court; McCartin Place; Strathcona: Wiggins 310, 320 & 430	2047/06/01	3.450%	30,571,802	—	1,045,176	607,834	1,653,010	29,963,968	
Tranche 2-2017									
Lebreton 3; St. Peter's Court; Hunt Club	2047/11/01	3.740%	14,410,269	—	534,404	266,658	801,062	14,143,611	
Tranche 2018									
Woodland Place; Winthrop Court; Strathcona: Renovations	2048/09/04	3.750%	—	9,000,000	84,248	40,793	125,041	8,959,207	
INFRASTRUCTURE ONTARIO			202,458,094	9,000,000	7,825,655	4,476,100	12,301,755	206,981,994	

Ottawa Community Housing Corporation

SCHEDULE OF MORTGAGES, DEBENTURES & LOANS

DEBENTURES	Maturity Date	Interest Rate %	Principal		Repayments 2018		Principal Dec 31/2018
			Dec 31/2017	\$	Interest	Principal	
Debentures Payable – Public Program Various Projects	2018/01/01 to 2026/01/01		22,438,729	\$	1,289,212	7,254,123	15,184,606
Total Debentures – Public Program			22,438,729	\$	1,289,212	7,254,123	15,184,606

FORGIVEABLE LOANS

As at December 31, 2018

Schedule A

	Interest Rate %	Maturity Date	Forgivable Loan \$	Principal Dec 31/2017 \$	Issued 2018 \$	Forgivable Portion 2018 \$	Principal Dec 31/2018 \$
Ontario Affordable Housing Program							
380 Somerset St	0.00%	2025/12/01	1,740,000	1,740,000	-	-	1,740,000
245-247 Crichton Street	0.00%	2032/01/01	720,000	720,000	-	-	720,000
2926 Michele Drive	0.00%	2051/01/01	800,000	800,000	-	-	800,000
140 Den Haag Drive	0.00%	2047/12/12	10,855,824	10,855,824	-	-	10,855,824
3225 Uplands Drive	0.00%	2052/01/24	2,160,000	1,200,000	960,000	-	2,160,000
900 Merivale Road (CCHC)	0.00%	2054/01/01	4,140,000	-	4,140,000	-	4,140,000
Total Ontario Affordable Housing Program			20,415,824	15,315,824	5,100,000	-	20,415,824
Residential Rehabilitation Assistance Program							
17 Willow	8.250%	2018/10/01	-	25,201	-	25,201	-
Total Residential Rehabilitation Assistance Program			-	25,201	-	25,201	-
Housing and Poverty Reduction Investment Plan							
714 Carson Road	0.00%	2049/01/01	4,000,000	4,000,000	-	-	4,000,000
Total Housing and Poverty Reduction Investment Plan			4,000,000	4,000,000	-	-	4,000,000
Housing and Homelessness Investment Plan							
454-456 Old St. Patrick Street	0.00%	2050/03/01	1,200,000	1,200,000	-	-	1,200,000
Total Housing and Homelessness Investment Plan			1,200,000	1,200,000	-	-	1,200,000
Dovercourt Recreation							
2 Van Lang Private	0.00%	2036/06/01	1,200,000	1,200,000	-	-	1,200,000
Total FORGIVEABLE LOANS			26,815,824	21,741,025	5,100,000	25,201	26,815,824

INTERNAL LOANS

As at December 31, 2018

Schedule A

Internal Borrowing	Program & Property	Maturity Date	Interest Rate %	Principal Dec 31/2017 \$	Mortgage renewal Issued in 2018 \$	Interest \$	Repayments 2018 Principal \$	Yearly Payment \$	Principal Dec 31/2018 \$
Limited Dividend - Apartments	Woodland place	2019/08/01	3.150%	—	728,495	7,286	63,674	70,960	664,821
Provincial Reformed	Strathcona: Renovations	2018/09/01	4.370%	—	140,347	2,988	140,347	143,335	—
GRAND TOTAL ALL INTERNAL LOANS				—	868,842	10,274	204,021	214,295	664,821