Ottawa Community Housing Corporation

Financial statements

December 31, 2019

Building a better working world

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** [the "Corporation"], which comprise the balance sheet as at December 31, 2019, and the statement of operations and surplus, statement of reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying 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, 2019.

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 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 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.

Emphasis of matter – 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 and fair presentation 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 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 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 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.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
May 14, 2020

Ottawa Community Housing Corporation
Incorporated under the laws of Ontario

Balance sheet

[in thousands of Canadian dollars]

As at December 31

	2019	2018
	$	$
Assets		
Current		
Cash and cash equivalents	**76,092**	78,867
Rent receivable	**2,397**	2,178
Other accounts receivable	**2,948**	2,669
HST receivable	**1,914**	3,043
Prepaid expenses	**3,597**	3,159
Total current assets	**86,948**	89,916
Capital assets, net *[note 3]*	**332,499**	324,050
	419,447	413,966
Liabilities and shareholders' equity		
Current		
Subsidies payable – City of Ottawa [Service Manager] *[note 14]*	**3,419**	1,780
Accounts payable and accrued liabilities *[note 14]*	**25,359**	20,723
Accrued interest on long-term debt	**808**	808
Prepaid rents	**2,501**	2,035
WSIB benefits costs – current *[note 11]*	**319**	307
Current portion of long-term debt *[note 5]*	**13,626**	15,955
Total current liabilities	**46,032**	41,608
Employee benefits costs *[note 10]*	**4,278**	4,335
WSIB benefits costs – future *[note 11]*	**2,738**	2,603
Forgivable loans *[note 4]*	**26,816**	26,816
Long-term debt *[note 5]*	**268,480**	263,125
Total liabilities	**348,344**	338,487
Contingent liabilities and commitments *[notes 12 and 13]*		
Shareholders' equity		
Contributed surplus *[note 7]*	**2,400**	2,400
Reserves *[note 8]*	**68,703**	73,079
Total shareholders' equity	**71,103**	75,479
	419,447	413,966

See accompanying notes

On behalf of the Board:

Vice-Chair and Treasurer

Chair

Ottawa Community Housing Corporation

Statement of operations and surplus

[in thousands of Canadian dollars]

Year ended December 31

	2019	2018
	$	$
Revenue		
Rents	**72,834**	69,317
Subsidies *[note 14]*		
Service manager	**55,894**	59,583
Service manager – safer communities	**2,573**	2,516
Other revenue	**4,814**	4,950
	136,115	136,366
Operating costs		
Utilities	**23,711**	25,332
Building operations	**22,897**	22,153
Staffing costs	**35,549**	34,324
Administration and other	**5,621**	6,069
	87,778	87,878
Fixed costs		
Municipal taxes *[note 14]*	**1,257**	1,199
Interest on long-term debt	**11,383**	11,834
Depreciation of capital assets	**16,594**	17,263
	29,234	30,296
	117,012	118,174
Net revenue before reserve contribution for the year	**19,103**	18,192
Contributions to reserves	**(19,103)**	(18,192)
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]	Equity Operating Surplus	Public Housing Operating Reserve Fund	Community Reinvestment Fund	Green Fund	Total 2019	Total 2018
	$	$	$	$	$	$	$	$	$
Balance, beginning of year	**39,463**	**78**	**15,504**	**783**	**2,499**	**9,552**	**5,200**	**73,079**	72,373
Contributions from operations	**18,524**	**—**	**—**	**579**	**—**	**—**	**—**	**19,103**	18,192
Other contributions	**4,142**	**—**	**—**	**—**	**—**	**—**	**1,077**	**5,219**	17,859
Realized value from Infrastructure Ontario financing *[note 3]*	**18,936**	**—**	**—**	**—**	**—**	**—**	**—**	**18,936**	7,091
Interest income	**1,126**	**2**	**—**	**24**	**74**	**271**	**148**	**1,645**	1,363
Realized gains	**—**	**—**	**—**	**—**	**—**	**382**	**—**	**382**	8,193
Expenses	**(48,373)**	**(123)**	**—**	**—**	**—**	**(947)**	**(883)**	**(50,326)**	(51,327)
Interfund transfers and internal loans	**650**	**553**	**5,421**	**(470)**	**—**	**(5,489)**	**—**	**665**	(665)
Balance, end of year	**34,468**	**510**	**20,925**	**916**	**2,573**	**3,769**	**5,542**	**68,703**	73,079

See accompanying notes

Ottawa Community Housing Corporation

Statement of cash flows

[in thousands of Canadian dollars]

Year ended December 31

	2019	2018
	$	$
Operating activities		
Net revenue before reserve contribution for the year	**19,103**	18,192
Add item not affecting cash		
Depreciation of capital assets	**16,594**	17,263
Changes in non-cash working capital balances related to operations		
Rent receivable and other accounts receivable	**(498)**	2,545
HST receivable and prepaid expenses	**691**	(1,795)
Subsidies payable – City of Ottawa [Service Manager]	**1,639**	1,373
Accounts payable and accrued liabilities	**4,636**	(809)
Accrued interest on long-term debt	**—**	(8)
Prepaid rents	**466**	82
Employee benefits costs	**(57)**	40
WSIB benefits costs	**147**	168
Cash provided by operating activities	**42,721**	37,051
Investing activities		
Interest earned on reserves balance	**1,645**	1,363
Cash provided by investing activities	**1,645**	1,363
Financing activities		
Mortgages, loans and debentures additions	**19,406**	12,451
Mortgages, loans and debentures repayments	**(15,715)**	(20,504)
Forgivable loans additions	**—**	5,100
Change in non-cash financing balances		
Forgivable loans	**—**	(25)
Cash provided by (used in) financing activities	**3,691**	(2,978)
Capital activities		
Other contributions made to reserves	**5,601**	26,052
Acquisition of capital assets	**(6,107)**	(10,950)
Capital expense charged to reserves	**(50,326)**	(51,327)
Cash used in capital activities	**(50,832)**	(36,225)
Net decrease in cash during the year	**(2,775)**	(789)
Cash and cash equivalents, beginning of year	**78,867**	79,656
Cash and cash equivalents, end of year	**76,092**	78,867
Supplemental cash flow disclosure		
Cash paid for interest	**11,383**	11,834

See accompanying notes

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2019

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. 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:

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2019

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.

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 Corporation's financial statements.

Future accounting pronouncements

Standards effective beginning on or after April 1, 2021

[i] PS 1201, *Financial Statement Presentation* ["PS 1201"], was amended to conform to PS 3450, *Financial Instruments* ["PS 3450"], and requires a new statement of remeasurement gains and losses separate from the statement of operations.

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2019

[ii] PS 3041, *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* will no longer apply.

[iii] PS 2601, *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 a new 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] PS 3450, *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 remeasurement 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 derecognition of financial liabilities.

[v] PS 3280, *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 remeasurement and whether the asset remains in productive use.

Standards effective beginning on or after April 1, 2022

[i] PS 3400, *Revenue* [“PS 3400”], PSAB recently issued a new Section on revenue [PS 3400] proposing a framework that 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. 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.

The Corporation will assess the impacts of the above standards on its financial statements. While the timing of standards adoption may vary, certain standards must be adopted concurrently. The requirements in PS 1201, PS 3450, PS 2601 and PS 3041 must be implemented at the same time.

[in thousands of Canadian dollars]

3. Capital assets

Capital assets consist of the following:

	2019 $	2018 $
Land	**82,341**	82,341
Prepaid land leases	**1,104**	1,104
Buildings and equipment	**575,548**	550,514
	658,993	633,959
Less accumulated depreciation	**326,494**	309,909
Net book value	**332,499**	324,050

In 2019, four properties with a net book value of $2,664 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 $21,600 from IO, which represents the fair value of the four properties. The Corporation used $2,664 to repay the outstanding mortgages, the remaining balance of $18,936 was transferred to the Capital Reserve and the Corporation recorded a corresponding increase in the property value.

Capital assets additions

933 Gladstone Avenue

In 2017, the Board of Directors approved the purchase of seven acres of vacant land at 933 Gladstone Avenue 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 2019, $129 of design and architecture costs were capitalized [2018 – $68].

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 nil was received in 2019 [2018 – $960] and the remaining portion will be received in 2020. In 2019, the total construction costs of $1,380 [2018 – $3,345] were financed from the CRF and capitalized. The project was completed in 2019 at a total cost of $5,477.

1290 Coldrey Avenue [previously 900 Merivale Road]

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 a forgivable loan from the City of Ottawa of $4,600 to fund that portion of costs related to the housing units, of which nil was received in 2019 [2018 – $4,140] and the remaining portion will be received in 2020. In 2019, the total construction costs of $1,014 [2018 – $6,546] were funded by the CRF and capitalized. The project is completed in 2019 at a total cost of $10,501.

Overbrook

In 2017, the Board of Directors approved renovation of two existing and development of two new units located at 208-210 Prince Albert Street. The project will start in 2020 and is expected to be completed in 2021 at a total cost of $850. In 2019, this project was on hold and no development costs were capitalized that year [2018 – $72].

Rochester Redevelopment [811 Gladstone Avenue [Phase 1] and 818 Gladstone Avenue [Phase 2]]

Phase 1

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 108 new affordable housing apartments within a six-storey building and 32 affordable stacked townhomes. The construction commenced in fall 2019 and is expected to be completed in 2021 at a total approximate cost of $48,500. The Corporation has secured the City of Ottawa funding of $20,435 provided under the Investment in Affordable Housing [$12,611], Social Infrastructure Fund [$5,694], and Action Ottawa contributions [$2,130] to be received over the construction period. The remaining construction costs will be financed from the CRF and mortgage financing. In 2019, the Corporation incurred $2,992 [2018 – $945] in design and construction costs, which were funded by the CRF and capitalized.

Phase 2

The Rochester Phase 2 project involves the demolition of 78 townhomes and the full redevelopment of the 4.2-acre site to align with the City of Ottawa's objectives of mixed-use and heightened density, with affordable housing, in close proximity to rapid transit [Gladstone LRT station]. The development will commence in 2021. The multi-year project will cost over $61,000 and anticipated to be funded from various sources, including mortgage financing and the Corporation's equity contribution. In 2019, 63 of the 78 townhomes underwent pre-demolition activities for a total cost of $521 [2018 – nil], which was funded by the CRF and capitalized.

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 2019, the Corporation sold one unit [2018 – 29 units]. The proceeds from the sale of this unit amounted to $382 [2018 – $8,193] and were allocated to the CRF to support future development.

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2019

4. Forgivable loans

Forgivable loans consist of the following:

	2019 $	2018 $
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**	2,160
Canada-Ontario AHP [1290 Coldrey Avenue]	**4,140**	4,140
Housing and Poverty Reduction Investment Plan [714 Carson]	**4,000**	4,000
Housing and Homelessness Investment Plan [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	26,816

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. If the agreements are breached, the full value of the loans may be repayable prior to the maturity date. As at December 31, 2019, the Corporation is in compliance with the terms and conditions of these agreements.

Uplands Drive

In 2017, the City of Ottawa approved a forgivable loan of $2,400 towards the development of 3225 Uplands Drive, of which nil was received in 2019 [2018 – $960] and the remaining portion will be received in 2020. 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, the City of Ottawa approved a forgivable loan of $4,600 towards the development of the CCHC, of which $nil was received in 2019 [2018 - $4,140] and the remaining portion will be received in 2020. 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.

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.

[in thousands of Canadian dollars]

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

	2019	2018
	$	$
Mortgages	**39,059**	45,608
Debentures – Public Program	**9,155**	15,185
Debentures – Infrastructure Ontario	**223,691**	206,982
Line of credit	**10,201**	10,640
Internal loans	**–**	665
	282,106	279,080
Less current portion of long-term debt	**13,626**	15,955
Long-term debt	**268,480**	263,125

In 2019, the Corporation, working with IO, the City of Ottawa and the Ministry of Housing, refinanced four 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 four 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 $21,600 for long-term financing. The note is repayable over 30 years at an interest rate of 2.95%, compounded monthly.

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]. This internal loan is part of the 2019 IO refinancing and has been transferred to IO, and as at December 31, 2019, a principal balance of nil [2018 – $665] was outstanding.

Principal repayments required for the years from 2020 to 2024 and thereafter for the Corporation's outstanding debt are expected to be approximately as follows:

	$
2020	13,625
2021	12,437
2022	11,443
2023	10,887
2024	10,679
Thereafter	223,025
	282,106

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2019

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. In 2019, the Corporation had $130 [2018 – $140] outstanding letters of credit. 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 2019, the Corporation had drawn nil [2018 – nil] 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, which 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 $18,524 in 2019 [2018 – $17,320], which included $732 [2018 – nil] from the Housing and Homelessness Investment Plan approved by City Council.

In 2019, the Corporation received funding allocations as scheduled for capital repairs under the following federal and provincial programs:

- The Social Housing Improvement Program – nil [2018 – $2,813]
- The Social Housing Apartment Retrofit Program – nil [2018 – $3,867]
- The Social Housing Apartment Improvement Program – $4,280 [2018 – $9,814]

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

In 2019, the Capital Reserve received $538 [2018 – $335] from the Investment in Capital Assets Reserve to recognize annual amortization.

In 2019, $553 [2018 – $495] was transferred from the Capital Reserve to the Vehicle Reserve to support purchasing of new vehicles.

In 2019, the following internal borrowing was paid back to the Capital Reserve:

- 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 2019, the Corporation recorded $14 [2018 – $7] in interest expense and $194 [2018 – $64] in principal repayments. In September 2019, the Corporation received IO refinancing and this internal loan was fully paid back to the Capital Reserve.

[b] Vehicle Reserve

The Vehicle Reserve is used for the acquisition of new vehicles, and $123 [2018 – $417] was expensed during the year for the purchase of new vehicles. The Vehicle Reserve received $553 [2018 – $495] 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, which are net of depreciation.

In 2019, the Corporation increased the Investment in Capital Assets Reserve by $5,421 [2018 – $2,958], which reflects an increase of $6,107 [2018 – $10,976] due to capitalization of ongoing developments and a transfer of $686 [2018 – $8,018] due to the following interfund transfers:

- $538 [2018 – $339] transferred to the Capital Reserve to recognize annual amortization;
- $148 [2018 – nil] transferred to the CRF to recognize annual amortization;
- Nil [2018 – $5,100] transferred to the CRF to reflect receipt of forgivable loans; and
- Nil [2018 – $2,579] transferred to the CRF to reflect receipt of mortgage financing.

[d] Equity Operating Surplus

The Equity Operating Surplus discretionary reserve was identified in 2018 as a replacement of the Federal Operating Surplus, which was discontinued in 2018 with the consent of the City of Ottawa. In 2019, this reserve generated a surplus of $579 [2018 – nil] of which $470 [2018 – nil] was transferred to the CRF to support new developments.

[e] Public Housing Operating Reserve

Effective January 1, 2009, the Corporation has an operating agreement with the City of Ottawa. The subsidy funding for the Public Program 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 CRF 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 2019, the gross proceeds from the sales amounted to $382 [2018 – $8,193] and were contributed to the CRF.

In 2019, the net interfund transfer from the CRF was $5,489 [2018 – $2,797], which reflects a transfer of $6,106 [2018 – $10,976] to the Investment in Capital Assets Reserve to recognize ongoing developments and an increase of $618 [2018 – $8,179] due to the following transfers:

- $148 [2018 – nil] transferred from the Investment in Capital Assets Reserve to recognize annual amortization;
- $470 [2018 – nil] transferred from the Equity Operating Surplus to support ongoing development activities;
- Nil [2018 – $5,100] transferred from the Investment in Capital Assets Reserve to reflect receipt of forgivable loans;
- Nil [2018 – $2,579] transferred from the Investment in Capital Assets Reserve to reflect receipt of mortgage financing; and
- Nil [2018 – $500] transferred from the Green Fund to support the PassivHaus component of the CCHC.

[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 2019, the Corporation received contributions of $1,077 [2018 – $860] from grants, rebates and photovoltaic electricity sales to support green initiatives.

In 2019, nil [2018 – $500] 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

[in thousands of Canadian dollars]

Corporation's contribution to the OMERS plan for 2019 was $2,958 [2018 – $2,807] 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.

10. Employee benefits costs

Employee benefit costs consist of the following:

	2019	**2018**
	$	$
Post-retirement benefits	**3,154**	3,108
Vested employee benefits	**1,124**	1,227
	4,278	4,335

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 2019 is as follows:

	$
Balance, beginning of year	**3,108**
Service cost	**108**
Interest cost	**94**
Amortization of actuarial gain	**(61)**
Benefits paid	**(95)**
Balance, end of year	**3,154**

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 every three years. The liabilities reported in these financial statements are based on a valuation as at June 30, 2017 with an extrapolation to December 31, 2019.

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 2019, amortization began with a 2018 gain of $111. Amortization for a 2019 loss of $185 will commence in 2020.

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 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:

	2019	2018
	$	$
Discount rate	**3.00**%	3.80**%**
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 2019 is as follows:

	$
Balance, beginning of year	**2,910**
Service cost	**353**
Interest cost	**104**
Amortization of actuarial loss	**(3)**
Benefits paid	**(307)**
Total balance including current portion	**3,057**
Less current portion of WSIB benefits costs	**319**
Balance, end of year	**2,738**

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, 2019.

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.

Notes to financial statements
[in thousands of Canadian dollars]

December 31, 2019

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:

	2019 %	2018 %
Discount rate	**3.75**	3.75
Loss of earnings	**1.25**	1.25
Health care benefits	**(0.75)**	(0.75)
Fully indexed survivor benefits	**2.00**	2.00
Non-economic loss awards	**2.00**	2.00

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, 2019 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, 2019 in the amount of $28,823 [2018 – $16,107].

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 $58,467 [2018 – $62,099], with a balance of $3,419 payable as at December 31, 2019 [2018 – $1,780].

[in thousands of Canadian dollars]

Expenses and accounts payable

The following expenses are included in the statement of operations and surplus for the year ended December 31, 2019:

	2019 $	2018 $
Municipal taxes	**1,257**	1,199
Electricity charges	**7,658**	7,517
Water and sewage costs	**11,596**	13,385

Included within accounts payable and accrued liabilities on the balance sheet as at December 31, 2019 is a balance payable of $2,483 [2018 – $2,397].

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, 2019, 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 rent 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, 2019, 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 flows 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.

Notes to financial statements

[in thousands of Canadian dollars]

December 31, 2019

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, 2019, the Corporation has no holdings in equities or bonds.

17. Subsequent event

Subsequent to year-end, the outbreak of the Coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Corporation in future periods.

SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS

INSTITUTION	Program and property	Maturity date	Renewal date if different from maturity	Interest rate %	Principal Dec 31/2018 $	Mortgage renewal issued in 2019 $	Repayments 2019 Interest $	Repayments 2019 Principal $	Repayments 2019 Yearly payment $	Principal Dec 31/2019 $
BANK OF MONTREAL										
	Provincial Reformed									
	Hintonburg Place	2028/03/01		6.011%	4,063,980	—	**229,264**	**339,192**	**568,456**	**3,724,788**
	Equity General					—				
	Head Office	2031/05/01	2021/05/01	2.790%	1,169,828	—	**31,174**	**80,047**	**111,221**	**1,089,781**
	Carson Road	2041/01/01	2026/01/01	3.800%	2,776,547	—	**103,023**	**82,462**	**185,485**	**2,694,085**
	Arlington	2044/01/01	2029/01/01	3.910%	3,450,000	—	**131,184**	**76,490**	**207,674**	**3,373,510**
	Gladstone Village	2021/05/31		Prime +.25%	3,500,000	—	**147,189**	**—**	**147,189**	**3,500,000**
Total Bank of Montreal					14,960,355	—	**641,834**	**578,191**	**1,220,025**	**14,382,164**
CANADA MORTGAGE AND HOUSING CORPORATION										
	Limited Dividend – Apartments									
	Tapiola Court	2019/08/01		3.440%	250,789	—	**3,212**	**250,789**	**254,001**	**—**
	Beausejour 4	2020/06/01		3.150%	31,326	—	**684**	**20,715**	**21,399**	**10,611**
	Haley Court	2021/04/01		3.150%	135,473	—	**3,428**	**56,843**	**60,271**	**78,630**
	Christie Place	2021/06/01		3.150%	587,427	—	**15,107**	**229,442**	**244,549**	**357,985**
	Provincial Reformed									
	Lavigne Court	2024/07/01	2019/09/01	3.440%	1,421,543	**(1,245,960)**	**34,799**	**175,582**	**210,381**	**—**
	Cameron Court	2023/06/01	2021/06/01	3.150%	1,355,802	—	**38,360**	**284,999**	**323,359**	**1,070,803**
	Esson Place	2023/06/01	2021/06/01	3.150%	1,281,957	—	**36,270**	**269,476**	**305,746**	**1,012,481**
Total Canada Mortgage and Housing Corporation					5,064,317	**(1,245,960)**	**131,860**	**1,287,846**	**1,419,706**	**2,530,510**
SCOTIA MORTGAGE AND LINE OF CREDIT										
	Provincial Reformed									
	Cumberland/George	2020/01/01		3.390%	1,284,461	—	**39,625**	**235,645**	**275,270**	**1,048,816**
	Marion Dewar Place	2024/05/01		5.830%	6,221,573	—	**349,492**	**340,529**	**690,021**	**5,881,044**
	Community Sponsored									
	Carson/Paul; Riddell; Edgeworth 460; Tweedsmuir; Beausejour 2; Ashgrove	2027/06/01		Floating+1.10%	7,140,030	—	**200,229**	**438,576**	**638,805**	**6,701,454**
Total Scotia Mortgage and Line of Credit					14,646,064	—	**589,346**	**1,014,750**	**1,604,096**	**13,631,314**

Ottawa Community Housing Corporation

SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS

INSTITUTION	Program and property	Maturity date	Interest rate %	Principal Dec 31/2018 $	Mortgage renewal issued in 2019 $	Repayments 2019 Interest $	Repayments 2019 Principal $	Repayments 2019 Yearly payment $	Principal Dec 31/2019 $
TORONTO-DOMINION BANK									
	Equity General								
	380 Somerset St	2026/04/01	2.700%	3,273,620	—	**86,563**	**108,479**	**195,042**	**3,165,141**
	Provincial Reformed								
	Lady Stanley Place	2023/08/01	6.005%	2,069,728	—	**112,077**	**396,599**	**508,676**	**1,673,129**
	Vachon Place	2023/11/01	5.967%	2,319,228	—	**131,235**	**204,007**	**335,242**	**2,115,221**
	McAuley Place	2024/06/01	6.100%	6,437,223	—	**373,440**	**523,649**	**897,089**	**5,913,574**
	Scotthill	2024/12/01	6.752%	5,203,716	—	**332,973**	**448,028**	**781,001**	**4,755,688**
Total Toronto-Dominion Bank				19,303,515	—	**1,036,288**	**1,680,762**	**2,717,050**	**17,622,753**
ROYAL BANK									
	Municipal Non-profit								
	Brian Bourns, Place	2019/08/01	4.204%	1,027,472	**(947,078)**	**34,173**	**80,394**	**114,567**	**—**
	Strathcona: Wiggins, 300	2021/03/01	4.088%	1,246,464	**—**	**47,704**	**152,992**	**200,696**	**1,093,472**
Total Royal Bank				2,273,936	**(947,078)**	**81,877**	**233,386**	**315,263**	**1,093,472**
GRAND TOTAL ALL MORTGAGES				56,248,187	**(2,193,038)**	**2,481,205**	**4,794,935**	**7,276,140**	**49,260,213**

SCHEDULE OF DEBENTURES – INFRASTRUCTURE ONTARIO

INSTITUTION

Program and property	Maturity date	Interest rate %	Principal Dec 31/2018 $	Mortgage renewal issued in 2019 $	Repayments 2019 Interest $	Repayments 2019 Principal $	Repayments 2019 Yearly payment $	Principal Dec 31/2019 $
INFRASTRUCTURE ONTARIO								
Various Projects	2040/08/16	4.960%	15,903,976	—	**779,380**	**419,768**	**1,199,148**	**15,484,208**
Equity General								
312 Cumberland	2036/06/02	4.710%	3,731,476	—	**172,741**	**140,695**	**313,436**	**3,590,781**
Richelieu Court	2036/07/15	4.600%	1,054,854	—	**47,689**	**39,909**	**87,598**	**1,014,945**
Ron Kolbus Place	2043/12/16	4.540%	4,013,373	—	**180,383**	**88,404**	**268,787**	**3,924,969**
Den Haag	2045/07/02	3.680%	6,646,441	—	**242,072**	**150,228**	**392,300**	**6,496,213**
Tranche 1-2012								
Lebreton1; Fairlea Court; Rockingham; Hasenack Place; Lebreton 55-65; Blohm Court	2042/07/03	3.930%	22,566,154	—	**876,243**	**593,044**	**1,469,287**	**21,973,110**
Tranche 2-2012								
Allard Place, Strathcona: Sentier	2042/12/03	3.870%	8,327,823	—	**318,504**	**214,746**	**533,250**	**8,113,077**
Tranche 1-2013								
Strathcona: Renovations 1 Gilmour May Nickson Place	2043/08/02	4.340%	10,562,628	—	**453,589**	**244,674**	**698,263**	**10,317,954**
Tranche 2-2013								
Bruyère & Bélanger Manor Eva Taylor Strathcona: Nancy Smith Orchard Grove Revell Court	2043/12/02	4.530%	14,863,002	—	**666,542**	**327,858**	**994,400**	**14,535,144**
Tranche-2014								
Strathcona: Wiggins, 206-296 Silver Heights	2044/11/03	3.810%	8,612,522	—	**324,690**	**198,753**	**523,443**	**8,413,769**
Tranche-2015								
Thorncliffe Court; Spadina Place; Nepean Place	2045/10/15	3.790%	11,370,601	—	**426,648**	**249,095**	**675,743**	**11,121,506**
Tranche 1-2016								
212 Bronson Avenue; 1433 Mayview; 507 Riverdale	2046/05/02	3.610%	9,404,212		**336,128**	**204,659**	**540,787**	**9,199,553**

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%	36,858,146	—	**1,192,845**	**833,354**	**2,026,199**	**36,024,792**
Tranche 1-2017								
Loretta/Young; Shearwater Court; Karsh Court: McCartin Place; Strathcona: Wiggins 310, 320 and 430	2047/06/01	3.450%	29,963,968	—	**1,023,871**	**629,139**	**1,653,010**	**29,334,829**
Tranche 2-2017								
Lebreton 3; St. Peter's Court; Hunt Club	2047/11/01	3.740%	14,143,611	—	**524,258**	**276,804**	**801,062**	**13,866,807**
Tranche 2018								
Woodland Place; Winthrop Court; Strathcona: Renovations 2	2048/09/04	3.750%	8,959,207	—	**333,119**	**167,046**	**500,165**	**8,792,161**
Tranche 2019								
Tapiola Court; Woodland Place; Lavigne Court; Brian Courns Place	2049/09/03	2.950%	—	**21,600,000**	**159,024**	**112,431**	**271,455**	**21,487,569**
INFRASTRUCTURE ONTARIO			206,981,994	**21,600,000**	**8,057,726**	**4,890,607**	**12,948,333**	**223,691,387**

Schedule A

Ottawa Community Housing Corporation

SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS

DEBENTURES	Maturity date	Interest rate	Principal Dec 31/2018	Repayments 2019 Interest	Repayments 2019 Principal	Repayments 2019 Principal	Principal Dec 31/2019
		%	$	$	$	$	$
DEBENTURES – PUBLIC PROGRAM							
Various Projects	2018/01/01 to 2026/01/01	6.089% to 8.100%	15,184,606	**832,259**	**6,029,433**	**6,861,692**	**9,155,173**
TOTAL DEBENTURES – PUBLIC PROGRAM			15,184,606	**832,259**	**6,029,433**	**6,861,692**	**9,155,173**

FORGIVEABLE LOANS

Schedule A

As at December 31, 2019

	Interest rate %	Maturity date	Forgivable loan $	Principal Dec 31/2018 $	Issued 2019 $	Forgivable portion 2019 $	Principal Dec 31/2019 $
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	2,160,000	—	—	**2,160,000**
1290 Coldrey Avenue	0.00%	2054/01/01	4,140,000	4,140,000	—	—	**4,140,000**
Total Ontario Affordable Housing Program			20,415,824	20,415,824	—	—	**20,415,824**
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**
			1,200,000	1,200,000	—	—	**1,200,000**
TOTAL FORGIVABLE LOANS			26,815,824	26,815,824	—	—	**26,815,824**

INTERNAL LOANS **Schedule A**

As at December 31, 2019

Internal Borrowing	Program and property	Maturity Date	Interest Rate	Principal Dec 31/2018	Mortgage renewal Issued in 2019	Repayments 2019			Principal Dec 31/2019
						Interest	Principal	Yearly Payment	
			%	$	$	$	$	$	$
Limited Dividend – Apartments									
	Woodland place	2019/08/01	3.150%	664,821	**(470,839)**	**13,594**	**193,982**	**207,576**	**—**
GRAND TOTAL ALL INTERNAL LOANS				664,821	**(470,839)**	**13,594**	**193,982**	**207,576**	**—**