



ELLWOOD HOUSE

Affordable housing for seniors

ELLWOOD HOUSE (OTTAWA) INC. ANNUAL GENERAL MEETING 20 June 2023 by videoconference



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Ellwood House (Ottawa) Inc.

General Information

2023

Background

Ellwood House (Ottawa) Inc. is a not-for-profit corporation incorporated under the laws of the Province of Ontario and is a registered charity with the Canada Revenue Agency. As a Social Housing Service Provider working with the support of the City of Ottawa, it owns and operates Ellwood House to fulfill its mandate of providing affordable housing to seniors in the Ottawa community. More detailed information can be found on our website: www.ellwoodhouse.ca.

Management

The operation of Ellwood House is overseen by a Board of Directors composed of a minimum of seven and a maximum of ten elected directors from the parish and community. In addition, the incumbent Bishop, Rector, and two Wardens are ex-Officio Directors. The 2023 Board of Directors is composed of:

Janice Horton	President
Stephen Parks	Treasurer
Michele Bédard	Secretary
Michael Parkes	Director
Daniel Warchow	Director
David Salisbury	Director
Beverly Ensom	Director
Keaton Ambrose	Director-Elect

Property Management and administrative services are provided by Homestarts, an organization that provides services to co-operative and non-profit housing providers.

Some Activities and accomplishments in 2022

Building improvements: Following our 2021 Building Condition Assessment and our Capital Plan:

- Exterior maintenance, including roof replacement.
- Ongoing replacement of carpeting with vinyl flooring in apartment units.
- Initiation of a project for bath-tub conversions, with cut-outs allowing walk- in showering for tenants.

Building Security: Entrances and doors in Ellwood House were re-keyed, and a Key Control Policy established. Security cameras have been installed.

Parking Policy: A policy was developed and established in practice and coordinated with the church.

Tenant Activity With the relaxation of COVID restrictions, tenants began to gather on the patio and in the lounge.

Ellwood House Extension project: The Project was awarded \$200,000 pre-development funding from the City of Ottawa.

Thank You!

The Board of Directors of Ellwood House (Ottawa) Inc. would like to thank the following persons and organizations for their support:

- **Our tenants**, for their ongoing care of Ellwood House and their co-operation and support of each other.
- **Robin McKay**, former Chancellor of the Diocese of Ottawa, who passed away in February 2023. Robin was a great friend to Ellwood House and provided ongoing legal advice and guidance for many years.
- **Our Property Management company, Homestarts**, particularly their on-site staff Patricia and Katherine, for their professionalism in supporting our tenants, maintaining our building's interior and exterior, arranging and coordinating maintenance and repairs.
- **The Parish of St. Thomas the Apostle Anglican Church and the Diocese of Ottawa** for their ongoing interest and support.
- **The City of Ottawa** Housing Services Branch.
- **Our local politicians**, Marty, John, and David, for their support.

ELLWOOD HOUSE CONSULTANTS AND SERVICE PROVIDERS

Property Management and Tenant Support

Homestarts Incorporated

A non-profit, community-based organization providing management, maintenance and redevelopment services as well as centrally serviced bookkeeping and website management to 80 housing co-ops and 2 non-profit housing providers in Ontario.

Ellwood House Project Management

Cahdco (Centretown Affordable Housing Development Corporation)

Cahdco is a non-profit real estate development corporation. Cahdco develops affordable housing and social purpose real estate incorporating the principles of social justice and inclusionary zoning.

Legal Services

Kelly Santini LLP

Kelly Santini LLP provides legal services and advice to local, national, and international business owners, not-for-profits, insurers, and private individuals since 1976. We are represented by William Roantree.



ELLWOOD HOUSE PROVIDES AFFORDABLE HOUSING TO INDEPENDENT SENIORS

The Canada Mortgage and Housing Corporation (CMHC) standard definition of Affordable Housing:

“Adequate and suitable housing is affordable at 30% of before-tax household income to very low to moderate-income households.”

The recent report from the **Alliance to End Homelessness Ottawa** identifies three income groups as being in **Core Housing Need**:

VERY LOW INCOME
LOW INCOME
MODERATE INCOME

Ellwood House serves all three of these income groups:

- 18 apartment units for Very Low Income and Low Income tenants eligible for rent-geared-to-income (through the City of Ottawa registry).
- 12 apartment units for tenants with Moderate Income.

The 2023 Ellwood House monthly rental rates are as follows, as compared to the CMHC Market Report for 2022.

Ellwood House rental rate comparison

	One bedroom	Two bedrooms
Rent-geared-to-income	30% of before-tax income	30% of before-tax income
Ellwood House low market rent	\$1,025.00	\$1,251.00
CMHC annual market report	\$1,956.00	\$2,325.00

Note: Ellwood House receives a rent subsidy from the City of Ottawa for rent-geared-to-income tenants.

Ellwood House (Ottawa) Inc.

Annual General Meeting

Tuesday, 20 June 2023

By videoconference

AGENDA

1. Opening prayer
2. Opening Remarks by the President
3. Notice of Meeting
4. Approval of the 15 November 2022 Annual General Meeting minutes
5. Business Arising
6. Treasurer's Report and presentation of financial statements
Stephen Parks, Treasurer
7. Appointment of Auditor 2023
Stephen Parks, Treasurer
8. President's Report
Janice Horton, President
9. Election of new Director
10. Other Business
11. Adjournment

Notice of the Annual General Meeting

**Ellwood House (Ottawa) Inc.
(the “Corporation”)**

Tuesday, June 20, 2023

**At 7:00pm
In the Trinity Room, St. Thomas the Apostle Church**

**To: Members of the Corporation of Ellwood House (Ottawa) Inc.
Members of the Parish of St. Thomas the Apostle**

Take Notice:

Pursuant to Article 9.03 of the By-law of the Corporation, the Annual General Meeting of the said Corporation will be held at 7:00pm on Tuesday, June 20, 2023 in the Trinity Room.

The Members of the Corporation will be asked to consider the Report of the President, the Audited Financial Statements for 2022, and the Appointment of the Auditor for 2023.

The election of the Board of Directors will follow, and other such business that may be properly placed before the meeting.

An electronic copy (PDF) of the Ellwood House Annual Report is available upon email request to the Ellwood House Secretary, Michele Bédard, at michelebedard@bell.net .

Michele Bédard
Secretary
Ellwood House (Ottawa) Inc.

**MINUTES OF
THE ANNUAL GENERAL MEETING OF
ELLWOOD HOUSE (OTTAWA) INC.**

**15 NOVEMBER 2022
held by videoconference**

The Ellwood House 2022 Annual General Meeting was held in conjunction with the monthly meeting of St. Thomas the Apostle Parish Council. Ellwood House Director Beverly Ensom chaired the meeting.

The meeting was called to order on Zoom at 7:03 pm. Deputy Warden of St. Thomas, Jean Jordan, welcomed those present and acknowledged that we were gathering on traditional Anishinaabe Algonquin territory. Jean then turned the meeting over to Rev. Tim Kehoe and Janice Horton.

1. Opening Prayer:

Fr. Tim opened the meeting with prayer, asking for wisdom and discernment.

2. Approval of Agenda

It was moved by Stephen Parks and seconded by Daniel Warchow that the Agenda for the Annual General Meeting be approved.

Carried.

3. Welcome

Janice Horton, the Ellwood House Board Chair, welcomed members to the Annual General Meeting. Janice acknowledged that this year's AGM had not been held as early as usual in the year and that it is hoped to have the next AGM in the spring of 2023. She referred members to the information in the 2022 Annual Report, which been distributed by email prior to the meeting. She also directed those present to the Ellwood House website (www.ellwoodhouse.ca), which provides detailed information on Ellwood House and its operations.

4. Notice of Meeting

Board Secretary Michele Bédard read the Notice of Meeting which had been distributed in the Parish Bulletin in accordance with the Ellwood House (Ottawa) Inc. By-Law, as well as posted on the Ellwood House bulletin board.

5. Approval of Minutes

The minutes of the 19 October 2021 Annual General Meeting were distributed in the Annual Report.

There being no corrections, it was moved by David Salisbury and seconded by Michael Parkes that the minutes of the Annual General Meeting of 19 October 2021 be approved.

Carried.

6. Business Arising

There was no business arising from the minutes.

7. Treasurer's Report:

The audited financial statements for the 2022 fiscal year had been distributed as part of the Annual Report.

Stephen Parks, Treasurer, summarized the financial situation as follows:

- Overall, Ellwood House had another good year.
- Net revenue was less due to a decrease in the City's subsidy funding.
- Rental revenues were essentially the same as the previous year. There was no rental increase during the pandemic.

The Net Operating Revenue for the year was \$61,000.

Stephen explained that \$23,000 had been transferred to the Capital Reserve Fund, leaving approximately \$38,000. From that amount, Ellwood House is obligated to contribute 50% of any operating surplus to its Capital Reserve Fund (approximately \$19,000) leaving a net increase in our Operating Fund of \$19,000.

Stephen referred to the following Ellwood House funds.

Our current **Operating Fund** balance is \$153,863, representing all the historical surpluses that have accumulated.

The **Capital Reserve Fund** balance is \$231,114.

In 2021, \$174,000 was spent on replacing the roof, resolving plumbing and hot water issues, re-capping the windows and re-caulking doors. We received a City grant of \$125,000 towards the cost of the new roof.

The **Development Fund** represents the money set aside for the Ellwood House Extension. The balance sits at -\$142,000, which is not money owed but rather an internal debt that the extension project owes back to Ellwood House. Under our Service Agreement with the City, when the extension project is underway, that amount will be repaid to Ellwood House. We hope to use this as Ellwood House's equity contribution under the Extension project.

Our **mortgage** balance owing at the end of 2021 was \$260,00 and we are doing well toward paying this off by May of 2024.

Pre-development Funding of \$100,000 – this money was received from the City in the form of a loan to be forgiven once the Ellwood House Extension has commenced construction and all funding (i.e. from CMHC, Action Ottawa) is in place. Stephen

confirmed that if the project cannot proceed, we will need to repay this amount, sharing the cost with the Diocese and the parish.

It was moved by Stephen Parks, seconded by Michael Parkes, that the financial report be approved as presented.

Carried

8. Appointment of Auditors:

Normally the auditor for 2022 would have been appointed at this meeting. Stephen noted that our current auditors have advised that they will increase their fee by 50%. The Board felt that it could not recommend the appointment of an auditor since we are awaiting responses to a Request for Proposal for a different auditor. Once a choice has been made for a new auditor, the Board will ask the Members to approve the decision.

9. President's Report:

Janice Horton reported that Ellwood House had a good financial year and a good year with our tenants following the stresses of the pandemic. Our tenants look out for each other and have been extremely responsive, with a few exceptions, regarding vaccine compliance and masking. Some tenants assisted with gardening needs and another couple volunteered to undertake a revitalization of the library.

Janice affirmed that Ellwood House (Ottawa) Inc. is an independent not-for-profit corporation with strong ties to the parish. Our By-law allows for a Board of up to 10 Directors, with a current slate of 7 Directors. We are hoping to add 2-3 members from the parish and potentially another community member to the Board. When we have done so, we will introduce them at the AGM next year.

Janice indicated that a third Building Condition Assessment was completed at the end of 2021. More work will be required on the exterior of the building, but it has been difficult during the pandemic to find tradespeople. We are very grateful to our property manager Patricia DiGiosia of Homestarts for pursuing as many options as possible. The interior of the building continues to be well-maintained and it is hoped that we can soon open it further to complete inside renovations or upgrades.

Ellwood House is grateful to be part of the St. Thomas campus and to continue to pursue additional relationships with our campus partners. We have increased our contact with Braeside House and its residents, and with the Parish Executive and Property Committee regarding parking and snow removal.

The Ellwood House Extension project realized two recent successes. Our zoning bylaw amendment application was approved to treat both properties (those of the rectory and Ellwood House) as one. The application was approved by the Planning Committee and City Council and is now in force.

The new Ontario Non-for-Profit Corporations Act (“ONCA”) is now in effect. Our By-law was updated in 2018, but further revisions will need to be made to bring the By-law in compliance with the new legislation.

It was moved by Stephen Parks and seconded by Michael Parkes that the President’s Report be accepted.

Carried

10. Report of the Nominating Committee and Election of Directors

Further to Janice Horton’s earlier report, Bev Ensom noted that we are still in the process of recruiting. When we have new members, we will present them to the next AGM.

11. Other Business

There was no other business.

12. Ellwood House Extension

There was no other information provided in addition to Janice Horton’s report.

13. Adjournment:

It was moved by Michael Parkes and seconded by Daniel Warchow that the Ellwood House Annual General Meeting be adjourned.

Submitted:

Approved:

Michele Bédard, Secretary

Janice Horton, President

List of Attendees

Ellwood House Board

Janice Horton, President
Stephen Park, Treasurer
Michele Bédard, Secretary
David Salisbury, Director
Daniel Warchow, Director
Beverly Ensom, Director
Michael Parkes, Director

St. Thomas Parish

Rev. Tim Kehoe
Rev. Tom Hubschmid
Cathy Munroe, Rector’s Warden
Ryan Benjamin, People’s Warden

Jean Wilson, Deputy Warden
Gwen Levesque, Parish Treasurer
Marian Bakker
Tom Bryant
Florence Cheesman
David Hemings
Els Salisbury
Derwyn Sangster
Catherine Smith
Louise Spiga
Lisa Wilson

Financial Statements

Ellwood House (Ottawa) Inc.
Ottawa, Ontario

December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Directors of Ellwood House (Ottawa) Inc. and The City of Ottawa

Opinion

I have audited the financial statements of Ellwood House (Ottawa) Inc., which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in fund balances and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022, and the results of its operations and its cash flow for the year then ended in accordance with the accounting requirements and regulations of the Housing Services Act, 2011.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Corporation to comply with the requirements of the Housing Services Act, 2011. As a result, the financial statements may not be suitable for other purposes. My report is intended solely for the Directors of the Corporation and the City of Ottawa and should not be used by parties other than the Directors of the Corporation and the City of Ottawa.

Responsibilities of Directors and those Charged with Governance for the Financial Statements

The Board of Directors ("the Directors") is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting requirements and regulations of the Housing Services Act, 2011 and for such internal control as the Directors determines are 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, the Directors are 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 the Directors 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

My 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 my 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.

INDEPENDENT AUDITORS' REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 the Directors.
- Conclude on the appropriateness of the Directors 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Jeffrey Martin CPA Professional Corporation

Chartered Professional Accountant, Licensed Public Accountant
June 17, 2023
Toronto, Canada

Statement of Financial Position	2022	2021
Current Assets		
Cash, Note 3	\$ 11,135	\$ 68,922
Accounts receivable		
Tenants	475	1,886
Grants	17,391	0
HST	91,015	71,872
Prepaid Expenses	21,764	649
Total Current	141,780	143,329
Replacement reserve fund, Note 3	158,291	231,114
Capital Assets, Note 7	153,996	260,516
	\$ 454,067	\$ 634,959
Current Liabilities		
Accounts payable and accrued liabilities	\$ 42,792	\$ 21,046
Subsidy due to The City of Ottawa, Note 10	161	7,497
Accrued mortgage interest	220	372
Total Current	43,173	28,915
Mortgage Payable, Note 8	153,996	260,515
Pre-development loan, Note 9	100,000	100,000
	297,169	389,430
Net Assets		
Development fund, per statement, Note 4	(209,761)	(142,330)
Restricted replacement reserve fund, per statement, Note 5	189,824	231,114
Donation fund, Note 6	2,881	2,881
Net assets invested in capital assets, Note 1	1	1
Accumulated surplus, per statement	173,953	153,863
	156,898	245,529
	\$ 454,067	\$ 634,959

Approved by the Board

Stephen Parks

Michele Bedard

Treasurer

Secretary

Ellwood House (Ottawa) Inc.

Year ended December 31, 2022

Statement of Operations and Accumulated Surplus	2022	2021
Revenue		
Market rent	\$ 151,176	\$ 179,437
Rent geared to income	104,675	86,128
City of Ottawa subsidy		
Rent geared to income	83,708	70,395
Property tax subsidy	53,253	51,405
Operating subsidy	(22,240)	(27,775)
Parking	7,040	5,520
Laundry and other	4,119	5,707
	381,731	370,817
Expenses		
Administrative, per schedule, Note 18	41,099	35,852
Amortization	106,519	104,744
Insurance	12,287	11,368
Mortgage interest	3,416	5,193
Property taxes	53,113	51,269
Bad debts	0	0
Repairs and maintenance, per schedule, Note 18	68,581	70,852
Utilities, per schedule, Note 18	32,430	29,921
Allocation to the replacement reserve fund	24,105	23,243
	341,550	332,442
Surplus	40,181	38,375
Share of surplus contributed to capital reserve	(20,091)	(19,188)
Accumulated surplus, beginning of year	153,863	134,676
Accumulated surplus, end of year	\$ 173,953	\$ 153,863

Statement of Changes in Fund Balances

Development Fund	2022	2021
Grant funding, Note 15		
COCHI funding	\$ 16,133	\$ 5,000
Enbridge, savings-by-design	7,500	0
CMHC, FCM-GMF funding	25,000	0
City of Ottawa pre-development funding	25,000	0
OPHI funding	7,131	0
CMHC SEED funding	63,000	83,000
	143,764	88,000
Expenditures	211,195	199,937
Net Expenditures	(67,431)	(111,937)
Fund Balance, beginning of year	(142,330)	(30,393)
Balance December 31	\$ (209,761)	\$ (142,330)

Replacement Reserve Fund	2022	2021
City of Ottawa funding. HHIP, Note 15	\$ 10,260	\$ 123,633
Reserve funding from operations	24,105	23,243
Share of surplus contributed to the capital replacement reserve	20,091	19,188
Investment loss	(593)	(6,402)
	53,863	159,662
Expenditures	95,153	174,204
Net Expenditures	(41,290)	(14,542)
Fund Balance, beginning of year	231,114	245,656
Balance December 31	\$ 189,824	\$ 231,114

Ellwood House (Ottawa) Inc.

Year ended December 31, 2022

Statement of Cash Flows	2022	2021
Operating Activities		
Operating fund surplus	\$ 20,090	\$ 19,187
Development fund expenditures	(211,195)	(199,937)
Replacement reserve fund expenditures	(95,153)	(174,204)
Amortization of capital assets	106,519	104,744
	<u>(179,739)</u>	<u>(250,210)</u>
Net change in non-cash working capital	<u>2,218</u>	<u>(1,780)</u>
Cash Provided By Operating Activities	<u>(177,521)</u>	<u>(251,990)</u>
Investing Activities		
Decrease (increase) in investments	<u>72,823</u>	163,441
Cash Used In Investing Activities	<u>72,823</u>	<u>163,441</u>
Financing Activities		
Principal portion of mortgage payments	(106,520)	(104,744)
Replacement reserve fund financing	10,260	123,633
Development fund financing	143,764	88,000
Investment losses in replacement reserve	(593)	(6,402)
Cash Used In Financing Activities	<u>46,911</u>	<u>100,487</u>
Net cash increase (decrease) during the year	(57,787)	11,938
Cash position beginning of year	68,922	56,984
Cash Position End of Year	\$ 11,135	\$ 68,922

Status and Nature of Activities

The Ellwood House (Ottawa) Inc. provides low-cost housing to seniors in the City of Ottawa. The Corporation was incorporated without share capital under the laws of The Province of Ontario on December 11, 1987, by St. Thomas the Apostle Church as a not-for-profit Corporation and a registered charity.

The Corporation claims an exemption from income tax as a charity operating exclusively for social welfare.

In accordance with its operating agreement with The City of Ottawa, the Corporation receives funding from the City of Ottawa Housing Branch pursuant to the Housing Services Act, 2011. The Corporation is dependent on this funding for its continued operation.

1. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the financial reporting framework prescribed by the Housing Services Act, 2011. This framework requires the financial statements to be prepared in accordance with Canadian accounting standards for Not-for-Profit Corporations with the following significant exceptions:

- a) amortization of capital assets funded by the original CMHC mortgage is equal to the principal repaid on the mortgage rather than on the estimated useful lives of the related assets;
- b) capital expenditures may be charged to the replacement reserve, development reserve and donation reserve rather than capitalized and amortized over their estimated useful lives;
- c) a replacement reserve is appropriated from operations and is held separate from operations in a restricted capital reserve fund;
- d) investment income earned on reserve funds is credited directly to the reserve rather than to operations;
- e) long-term debt is not segregated between current and long-term on the statement of financial position;

Fund Accounting

The Corporation follows the restricted fund method of accounting for contributions.

The replacement reserve fund reports the expenses for major repair and replacement costs of building improvements. Only major repairs and replacements that are capital in nature are charged directly to this reserve fund. Minor repairs and replacements are charged to repairs and maintenance in the statement of operations. The Corporation segregates funds accumulated as required by the Housing Services Act, 2011. Interest earned on these amounts is credited directly to the income of the reserve fund.

Revenue recognition

The Corporation receives rental revenue from tenants and subsidies from the City of Ottawa social housing program. Rental revenue, subsidies and other revenue are recognized at the time the services are provided.

Interest income earned on its investments is recognized as revenue when earned.

Investments and investment income

The Corporation holds investments in fixed income securities and cash in a broker account. These investments are recorded at fair value. Changes in fair value are recognized in the statement of operations. Fair value is determined using the quoted year-end market prices where available.

Investment income includes interest, which is recorded as revenue when earned. Gains and losses on investments include unrealized gains and losses.

Cash

Cash consists of amounts on deposit with a Canadian chartered bank.

Measurement of financial assets

The Corporation's financial instruments are comprised of cash, investments, subsidy receivable, sundry receivable, accounts payable and accrued liabilities and mortgage payable. Financial instruments are initially recorded at their fair value and subsequently measured at amortized cost.

Sundry receivables include interest receivable and government rebate receivable. Investments consist of bond funds.

When there is an indication of impairment or such an impairment is determined to have occurred, the carrying amount of financial assets is reduced by the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of that asset. If the circumstances that led to the Corporation recording an impairment improve and management determines that all or a portion of the impairment can be recovered, the impairment is reversed up to the amount that the financial asset would have otherwise been recorded at on the reversal date.

Use of estimates

The preparation of financial statements requires the Board of Directors to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Capital assets

Purchased capital assets are recorded at cost. The Social Housing Act, 2011, requires the Corporation to recognize depreciation at a rate equal to the annual principal reduction of the mortgage.

Net Assets Invested in Capital Assets

The Organization has recorded a nominal \$1 as assets invested in capital assets. This represents the lease commitment by the Organization to the landowner, St. Thomas the Apostle Church.

Donated services

Volunteers assist the Corporation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, donated services are not recognized in the financial statements.

Allocation of expenses

The Corporation is required to comply with Regulation 367, section 98(7) of the Housing Services Act, 2011 which gives the City of Ottawa, as service manager, the authority to determine what expenses can be charged to the replacement reserve fund. The Corporation must therefore determine whether expenses qualify as a capital expense as per the City of Ottawa guideline 2011-5 and allocate the capital expense to the replacement reserve fund.

Government assistance

The Corporation applies for government grants and rebates from time to time. Government assistance towards expenditures is recorded as a reduction of the related expenditures in the period the Corporation applies for the grant or rebate and is reasonably assured the grant or rebate will be approved.

2. Financial Instruments and Risk Management

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation is funded by the City of Ottawa which reduces its credit risk. Credit risk is also minimized by thoroughly screening new tenant's ability to service their rent payment obligations prior to completing the tenancy agreement.

Liquidity risk

Liquidity risk relates to the Corporation's ability to meet its obligations as they come due. The Corporation manages liquidity risk through the use of budgets.

Interest risk

The Corporation invests in an interest-bearing account that bears interest at a variable rate based on market rates of interest. The Corporation is exposed to the risk that changes in market rates of interest could impact cash flows needed to meet its operating and reserve fund obligations. The Corporation manages this risk by investing in low risk, interest bearing securities that also offer liquidity in the event that prevailing interest rates increase. Management does not otherwise manage interest rate risk.

3. Cash and Cash Equivalents, Investments and Reserve Funds

	2022	2021
Cash and cash equivalents	\$ 11,186	\$ 266,152
Encasa CDN S-T Bond Fund Series A-NL	81,333	14,809
Encasa CDN Bond Fund Series A-NL	76,907	19,075
	169,426	300,036
Reserve funds - restricted	178,681	231,114
Funds required to fund reserves	\$ 9,255	\$ 0

Investment income includes:

	2022	2021
Interest allocated to the replacement reserve	\$ (593)	\$ (6,402)
Interest allocated to operations	0	0
Total interest earned	\$ (593)	\$ (6,402)

4. Development Fund

The development fund was established by the Board of Directors to record the donations and costs associated with making an application to build the Ellwood House Extension on land adjacent to the current site. A loan has also been obtained from The City of Ottawa to finance the costs of these applications, Note 9.

5. Replacement Reserve Fund

The replacement reserve is externally restricted by The City of Ottawa. The funds can only be used for capital expenditures approved by The City of Ottawa. In 2022, the allocation from the operating fund to the replacement reserve fund was \$24,105 as well as 50% of the operating surplus for the year of \$20,091. These funds, along with the accumulated balance of the fund and interest, must be held in a separate bank account or invested in accounts or investments insured by Canada Deposit Insurance Corporation, or as otherwise approved by the City of Ottawa, Housing Services Ac, 2011. The cash and investments in the fund must equal or exceed the fund balance. At December 31 2022 the replacement reserve fund is not fully funded, Note 3.

6. Donation Fund

The donation fund was established to record donations made for fund projects and/or capital improvements intended to enhance the quality of life of the seniors in residence.

7. Capital Assets

	Cost	Accumulated Amortization	2022 Net	2021 Net
Building	\$ 1,926,023	\$ 1,778,729	\$ 147,294	\$ 251,180
Furniture and equipment	48,268	41,566	6,702	9,336
	\$ 1,974,291	\$ 1,820,295	\$ 153,996	\$ 260,516

8. Mortgage Payable

The mortgage is held and fully insured by CMHC under Section 6 of the National Housing Act.

Original renewal balance	\$493,774
Interest Rate	1.69%
Term, maturing May 1, 2024	56 months
Monthly principal and interest payments	\$9,174

	2022	2021
Principal Balance	\$ 153,996	\$ 260,515
Current portion	108,023	106,519
Long-term portion	\$ 45,973	\$ 153,996

9. Pre-Development Loan

The Corporation has signed to a pre-development loan agreement with the City of Ottawa and the Incumbent Rector and Wardens of the Church of St. Thomas The Apostle and the Incorporated Synod of the diocese of Ottawa of the Anglican Church of Canada. The purpose of the loan is to assist the Corporation in developing a reasonable proposal for the project. The term of the loan is 20 years from the date of commencement of the project. On the 20-year anniversary the loan will either be repaid or included in the contribution agreement of the City of Ottawa in the event the project is developed and receives City of Ottawa capital funding. At December 31, 2022, \$100,000 has been received and an additional \$200,000 has been approved.

10. City of Ottawa Subsidy Reconciliation

Rent supplements are a form of rent-geared-to-income (RGI) housing subsidy that assist tenants with low or moderate incomes with rent affordability. To determine its annual subsidy and fulfil the requirements of its operating agreement and the Social Housing Act, 2011, the Corporation is required to maintain current records and income calculations for its RGI tenants, and file the Annual Information Return (AIR) with the City of Ottawa. The AIR is a summary of the Corporation's financial, operating, and statistical information for the fiscal year. The City of Ottawa uses this information to verify the Corporations subsidy entitlement and to assess whether the Corporation was compliant with its operating agreement and the Social Housing Act, 2011. In 2022, the Corporation received funding which was less than its subsidy entitlement in the amount of \$7,704. The settlement for the year will be withheld by the City of Ottawa on a future subsidy payment. The balance due to the City for accumulated excess subsidy is set up as a liability on these financial statements. The City of Ottawa may adjust the balances when they complete their reconciliation of the balances.

11. Replacement Reserve Expenditures

Roofing	\$ 57,953
Flooring	9,533
Appliances	8,423
Bathroom renovations	5,027
Plumbing fixtures	4,826
Project management	3,866
Security system	3,309
Lock replacement	2,216
	\$ 95,153

12. Contractual Obligations

At December 31, 2022 the Corporation had entered into contracts as listed below:

Land Lease Commitment - The Organization has an agreement with the Incumbent Rector and Wardens of the Church of St. Thomas the Apostle and the Incorporated Synod of the Diocese of Ottawa to lease the land Ellwood House (Ottawa) Inc. is built upon for \$1 per year from June 30, 1988 to June 30, 2023.

Greenworks Contracting – Snow and Ice control - \$10,595 plus HST for the season

Centretown Affordable Housing Development Corporation (Cahdco) – construction project management - \$393,269 plus HST

13. Comparative Balances

The comparative figures were audited by another auditor and in some cases have been reclassified or grouped differently. No adjustments or changes were made to any prior period balances on the general ledger.

14. Subsequent Events

The Organization is, as of the date of this report, in negotiations with the owner of the land on which the building is located, for a lease renewal. The current lease ends on June 30, 2023, Note 14.

15. Grants and Funding

Canada-Ontario Community Housing Initiative Contribution funding agreement (COCHI) – Architectural design, Consultant, Legal, Engineering services

Federation of Canadian Municipalities (FCM) – Partial reimbursement for costs incurred that are an integral and an essential component of the project and required to help achieve the environmental objective of the project

Enbridge 2022 Savings by Design – Payment of development costs for the integrated design of Energy Performance Initiatives

CMHC SEED funding Agreement – Development grants – eligible costs vary with regard to property development and include items such as, business plan, feasibility, incorporation, surveys, planning fees, design, environmental assessment and other related costs

Ontario Priorities Housing Initiative (OPHI) – Substantial modifications, must be to provide or improve accessibility for persons with disabilities

City of Ottawa, Pre-Development Funding 2002 – To assist with planning applications, project costing and contract drawings associated with pre-development approvals

City of Ottawa 2022 Housing and Poverty Reduction Investment Plan (HHIP) – Replacement or reconstruction of worn out or obsolete major buildings or site components, major building systems or services, basic facilities and equipment, safety features, parking facilities and walkways

16. Contingent Liability

The Organization was approved for funding under the COCHI funding agreement (Note 16). Should the Organization fail to maintain its status as affordable housing for a period of 10 years from the date of the signed agreement and 5 years as a social housing provider under the Housing Services Act, 2011, the funding amounts become due and payable at the sole option of The City of Ottawa.

17. Future Uncertainty Resulting from the Pandemic

There is significant uncertainty around the long-term economic and business consequences of COVID-19. The market value of the Corporation's capital assets may be affected. There is also increased exposure to credit risk as a result of possible financial difficulties of tenants. It is not possible to estimate the actual financial effects at this time.

18. Supplementary Information

Schedule of Repairs and Maintenance	2022	2021
Electrical systems	\$ 119	\$ 1,242
Elevators	4,902	4,707
Equipment	697	204
Grounds	6,605	8,735
Repairs, maintenance and supplies	51,594	51,346
Security	4,664	4,618
	\$ 68,581	\$ 70,852

Schedule of Utilities	2022	2021
Hydro	\$ 10,094	\$ 12,404
Heating	6,466	5,716
Water	15,870	11,801
	\$ 32,430	\$ 29,921

Schedule of Administrative Expenses	2022	2021
Management fees	\$ 23,008	\$ 22,777
Materials and services	160	238
Office supplies	193	537
Advertising and website	2,545	0
Dues	515	528
Bank fees	1,725	1,026
Other	645	0
Professional fees	6,530	6,037
Transportation and communication	5,778	4,709
	\$ 41,099	\$ 35,852