



# ELLWOOD HOUSE

Affordable housing for seniors

## ELLWOOD HOUSE (OTTAWA) INC. ANNUAL GENERAL MEETING 15 NOVEMBER 2022 by videoconference



### CONTENTS

General Information .....	1
Ellwood House Background .....	1
Agenda .....	3
Notice of the 2022 Annual General Meeting.....	4
Minutes of the Annual General Meeting 19 October 2021 .....	5
Audited Financial Statements as at 31 December 2021 .....	10

# Ellwood House (Ottawa) Inc.

## General Information

2021

### 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](http://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 and up to five Honorary Directors. The 2022 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

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

### 2021 Activity and Accomplishments

- The Covid19 pandemic restrictions continued for much of the year. Our tenants, with just a few exceptions, followed guidelines and arranged for vaccinations as soon as they were available.
- As regular tenant meetings were not possible, written notices and small group meetings were held. Tenants were provided with information and updates for projected renovations.
- Following receipt of the 2021 Building Assessment, repairs to the building envelope, including a new roof, were completed. A long-standing problem with hot water was resolved through the persistence of our Property Manager.
- New policies, including a Parking Policy, and updated administrative procedures were introduced and have improved Ellwood House operations.

- We partnered with the church on snow removal – a new cooperative venture.
- Our new Logo was launched – promoting the Ellwood House brand.

### **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 involvement and care of Ellwood House, and for their co-operation and support of each other during the stressful time of the pandemic.
- **Our Property Management company, Homestarts**, who provide oversight of our building's interior and exterior, arrange and coordinate maintenance and repairs, and provide bookkeeping and accounting services.
- **The Parish of St. Thomas the Apostle Anglican Church and the Diocese of Ottawa** for their interest and support.
- **Our suppliers**, maintenance service companies, and other services.
- **Legal Counsel Robin MacKay** for his assistance in legal matters.
- **The City of Ottawa** Housing Services Branch.
- **Our local politicians**, Jean, John, and David for their support.

**Ellwood House (Ottawa) Inc.**  
**Annual General Meeting**  
**Tuesday, 15 November 2022**  
**By videoconference**  
**AGENDA**

1. Opening prayer
2. Opening Remarks by the President
3. Notice of Meeting
4. Approval of the 19 October 2021 Annual General Meeting minutes
5. Business Arising
6. Treasurer's Report and presentation of financial statements  
Stephen Parks, Treasurer
7. Appointment of Auditor 2022  
Stephen Parks, Treasurer
8. President's Report  
Janice Horton, President
9. Presentation of the Nominating Committee Report and Election of Directors
10. Ellwood House Extension Community Meeting
11. Other Business
12. Adjournment



2270 Braeside Ave.  
Ottawa, ON | K1H 7J6  
613.521.5151  
[ellwoodhouse@rogers.com](mailto:ellwoodhouse@rogers.com)

**Notice of the Annual General Meeting  
Ellwood House (Ottawa) Inc.  
Tuesday, November 15, 2022**

**At 7:00pm  
By virtual conference**

**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, November 15, 2022. The meeting will take place virtually and the Zoom link will be provided closer to the date.

The Members of the Corporation will be asked to consider the Report of the President, the Audited Financial Statements for 2021, and the Appointment of the Auditor for 2022.

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](mailto:michelebedard@bell.net) .

Michele Bédard  
Secretary  
Ellwood House (Ottawa) Inc.

---

---

Safe affordable housing for seniors

Charitable registration #132710856RR0001

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

**19 OCTOBER 2021**

**held by videoconference**

The Ellwood House Annual General Meeting was held in conjunction with the meeting of St. Thomas the Apostle Parish Council.

The meeting was called to order on Zoom at 7:10 pm.

**1. Opening Prayer:**

The Rev. Tim Kehoe opened the meeting recognizing we are on the unceded land of the Algonquin Nation and continued with prayer.

**2. Welcome:**

President Janice Horton welcomed members to the Annual General Meeting. She noted that the 2021 Annual Report, which been distributed by email prior to the meeting, provided information on Ellwood House and its operation for another successful year.

**3. Notice of Meeting:**

The Notice of Meeting, including the Zoom meeting invitation, had been distributed in the Parish Bulletin in accordance with Ellwood House (Ottawa) Inc. By-Laws, and had been posted on the Ellwood House bulletin board.

**4. Approval of Minutes:**

The minutes of the 20 October 2020 Annual General Meeting were distributed in the Annual Report.

It was moved by Michele Bédard, seconded by Daniel Warchow, that the minutes of the Annual General Meeting of 20 October 2020 be approved.

Carried

**5. Business Arising:**

There was no business arising from the minutes.

**6. Treasurer's Report:**

The audited financial statements for the 2020 fiscal year had been distributed as part of the Annual Report. The Treasurer, Stephen Parks, summarized the financial situation:

We completed the year with an Operating surplus of \$51,728. As per our agreement with the city, 50% or \$25,864 must be contributed to our Capital Reserve fund. The remaining \$25,864 is considered to be our true Operating Surplus. However, as per city regulations, we

are allowed to keep \$300/unit or \$9000 of any annual Operating Surplus. Any amounts above this could be subject to a claw back by the city, viewed as us having been over subsidized. The city has never asked for any portion of the Operating Surplus to be returned in the past, but we will not know for sure until they have completed their review of our Annual Information Report. The surplus can be largely attributed to;

- full occupancy of our Market units and thus higher than expected Market Rent revenues
- lower administration fees. Our current property management company (Homestarts – not-for-profit is saving us over \$20,000 per year compared to previous years
- renegotiation of our mortgage at a lower rate saving us thousands in interest fees

It was also noted that our utility expenses were higher than expected but covered off by savings in other areas.

Our current mortgage is scheduled to be paid in full by May 2024.

Rev Michael asked if the surplus on operations might not be clawed back by the city and would it not be better to pay it as a rental to the parish instead of the \$1.00 in the present lease. It was pointed out that surpluses have not in the past been clawed back by the city and that surpluses are used to contribute to the maintenance of Ellwood House, such as the roof replacement which was to commence this month.

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

Carried

#### **7. Appointment of Auditors:**

It was moved by Stephen Parks, seconded by Cathy Munroe, that Kelly Huibers McNeely Professional Corporation be appointed auditors for FY 2021.

Carried

#### **8. President's Report:**

President Janice Horton noted that the Ellwood House tenants are a varied group who see Ellwood House as an affordable, safe and well managed residence. They have a sense of community and look for each other. It is hoped the sense of community will continue with the new residence of the Ellwood House Extension.

Ellwood House Property Management is carried out by Homestarts, a not-for-profit organization that manages over 90 cooperative housing establishments. They bring expertise and accounting services that are valuable to the operation of Ellwood House.

President Horton noted that the Board of Directors is working diligently to manage both the operation of the current Ellwood House residence and the development of the Ellwood House Extension project.

It was moved by Janice Horton, seconded by Larry Doshen, that the President's Report be accepted.

Carried

#### **9. Report of the Nominating Committee and Election of Directors:**

President Horton outlined the Board composition: seven to ten Directors and four Honourary Directors from the Parish and The Diocese.

Beverly Ensom joined the Board last winter. Ms. Ensom is a member of St Thomas the Apostle parish and is active in the community. She is a certified copy editor and has provide guidance to the Board on the correct preparation of correspondence. She arranged training in media relations in preparation for community consultations on EHX and facilitated putting EHX information on the St. Thomas website. She spearheaded the development of a logo for Ellwood House.

It was moved by Janice Horton, seconded by Michele Bédard, that Beverly Ensom be elected to the Board of Directors of Ellwood House.

Carried.

#### **10. Other Business:**

Cathy Munroe noted that the parish was working with the Ellwood House Property Manger on joint snow removal contract; one contract for both church parking lot and the Ellwood House parking lot. Similar joint arranging for the repair of pavement potholes is underway. This joint approach to maintenance is working well and plans are to expand it to other campus partners.

#### **11. Ellwood House Extension**

President Horton displayed the flyer announcing the Community Information Meeting that will be held on 21 October 2021 via Zoom. The flyer had been distributed by Councilor Cloutier in the Alta Vista neighbourhood and was on the website. The information meeting was also mentioned in Councilor Cloutier's weekly newsletter and in *Vistas*, the Alta Vista community newspaper. She urged members to attend the information meeting.

President Horton displayed a colored site plan for the whole campus. It was pointed out that the site plan did not reflect some of the changes that had been suggested by the property committee. Cathy Munroe said that the suggested changes and concerns had been passed to the EHX Project Manager and would be addressed at a meeting on Wednesday.

**11. Adjournment:**

It was moved by David Salisbury, seconded by Daniel Warchow, that the Ellwood House Annual General Meeting be adjourned

Submitted:

Approved:

\_\_\_\_\_  
Larry Doshen, Secretary

\_\_\_\_\_  
Janice Horton, President

**List of Members Attending**

Janice Horton, President  
Larry Doshen, Secretary  
Stephen Park, Treasurer  
Michele Bédard, Director  
David Salisbury, Director  
Daniel Warchow, Director  
Rev Tim Kehoe  
Rev Michael Garner  
Cathy Munroe  
Gwen Levesque  
Florence Cheesman  
Els Salisbury  
David Hemings  
Derwyn Sangster  
Lisa Wilson  
Ryan Benjamin  
Marian Bakker  
Catherine Smith  
Lorraine Balderson  
Louise Spiga

Submitted:

Approved:

---

Larry Doshen, Secretary

---

Janice Horton, President

**List of Members Attending**

Janice Horton, President  
Larry Doshen, Secretary  
Michael Parkes, Director  
Daniel Warchow, Director  
Andrea Teekasingh, Member  
Jean Jordan, Member  
David Hemings, Member  
Sue Perry, Member  
Lisa Wilson, Member  
Gwen Levesque, Member

The Rev. Tim Kehoe  
Stephen Parks, Treasurer  
Michele Bédard, Director  
David Salisbury, Director  
Ryan Benjamin, Member  
Cathy Munroe, Member  
Lorraine Balderson, Member  
Derwyn Sangster, Member  
Florence Cheesman, Member

**ELLWOOD HOUSE (OTTAWA) INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Fund Balances - Operating Fund

Statement of Operations and Changes in Fund Balances - Development Fund

Statement of Operations and Changes in Fund Balances - Replacement Reserve Fund

Statement of Cash Flows

Notes to the Financial Statements

Schedules to the Statement of Operations



CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

# KELLY HUIBERS McNEELY

PROFESSIONAL CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ellwood House (Ottawa) Inc.

---

### Qualified Opinion

We have audited the accompanying financial statements of the Ellwood House (Ottawa) Inc., which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Ellwood House (Ottawa) Inc. as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

---

### Basis for Qualified 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 Ellwood House (Ottawa) Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Ellwood House (Ottawa) Inc. claims amortization based on the principal reduction of the mortgage, it is effectively claiming amortization on land and amortizing the assets over the debt repayment period as opposed to their useful lives. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. Our audit opinion on the financial statements for the year ended December 31, 2020 was also qualified because of this accounting practice.

---

106B McGonigal St. W.  
Arnprior, Ontario K7S 1M4

9 Emily Street  
Carleton Place, Ontario K7C 1R9

16 Gore Street West  
Perth, Ontario K7H 2L6

5992 Hazeldean Rd.  
Stittsville, Ontario K2S 1B9

Phone: 613-963-1430 (1-866-999-1339)

Fax: 613-686-3960 (Perth local 613-267-3949)

---

acctg@khmpc.ca

---

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 Ellwood House (Ottawa) Inc.'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 Ellwood House (Ottawa) Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Ellwood House (Ottawa) Inc.'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 Ellwood House (Ottawa) Inc.'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 Ellwood House (Ottawa) Inc.'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 Ellwood House (Ottawa) Inc. to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Kelly Huibers McNeely*  
*Professional Corporation*

Stittsville, Ontario  
July 22, 2022

Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

**ELLWOOD HOUSE (OTTAWA) INC.**  
**STATEMENT OF FINANCIAL POSITION**

**As at December 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 266,152	\$ 154,214
Short-term investments (note 3)	33,884	197,325
Accounts receivable	73,758	36,173
Due from the City of Ottawa (note 4)	-	16,214
Prepaid expenses	649	751
	374,443	404,677
<b>CAPITAL ASSETS (note 5)</b>	260,516	365,260
	<b>\$ 634,959</b>	<b>\$ 769,937</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 21,418	\$ 26,857
Due to the City of Ottawa (note 4)	7,497	-
Current portion of long-term debt	106,520	104,743
	135,435	131,600
<b>LONG-TERM DEBT (note 6)</b>	253,995	285,516
	389,430	417,116
<b>NET ASSETS (LIABILITIES)</b>		
Operating Fund	153,863	134,676
Development Fund	(142,330)	(30,393)
Donation Fund	2,881	2,881
Replacement Reserve Fund	231,114	245,656
Net assets invested in capital assets	1	1
	245,529	352,821
	<b>\$ 634,959</b>	<b>\$ 769,937</b>

APPROVED BY THE BOARD

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

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

**ELLWOOD HOUSE (OTTAWA) INC.**

**OPERATING FUND**

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

**For the year ended December 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>		
Market rent	\$ 179,437	\$ 181,980
Rent geared to income	86,128	83,927
Parking	5,520	5,462
Government subsidy - City of Ottawa	94,025	105,170
Laundry and other	<u>5,707</u>	<u>6,497</u>
	<u>370,817</u>	<u>383,036</u>
<b>EXPENDITURES</b>		
Administrative overhead (schedule 1)	35,852	30,662
Amortization	104,744	102,991
Bad debt (recovery)	-	(1,576)
Insurance	11,368	10,150
Interest on mortgage	5,193	6,946
Materials and services (schedule 2)	70,852	80,696
Municipal taxes	51,269	49,415
Utilities (schedule 3)	<u>29,921</u>	<u>28,681</u>
	<u>309,199</u>	<u>307,965</u>
<b>NET REVENUE</b>	<b>61,618</b>	<b>75,071</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u><b>134,676</b></u>	<u><b>108,812</b></u>
	<b>196,294</b>	<b>183,883</b>
<b>INTERFUND TRANSFERS TO REPLACEMENT RESERVE FUND</b>	<b>(23,243)</b>	<b>(23,343)</b>
<b>INTERFUND TRANSFERS TO REPLACEMENT RESERVE FUND PER ANNUAL INFORMATION RETURN RECONCILIATION</b>	<b>(19,188)</b>	<b>(25,864)</b>
<b>FUND BALANCE - END OF YEAR</b>	<u><u><b>\$ 153,863</b></u></u>	<u><u><b>\$ 134,676</b></u></u>

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

**ELLWOOD HOUSE (OTTAWA) INC.**

**DEVELOPMENT FUND**

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

**For the year ended December 31, 2021**

	<b>2021</b>	<b>2020</b>
REVENUE		
Donations	\$ 5,000	\$ 5,650
CMHC funding	<u>83,000</u>	<u>-</u>
	88,000	5,650
EXPENDITURES	<u>199,937</u>	<u>36,043</u>
NET EXPENDITURES	(111,937)	(30,393)
FUND BALANCE - BEGINNING OF YEAR	(30,393)	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ (142,330)</b>	<b>\$ (30,393)</b>

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

**ELLWOOD HOUSE (OTTAWA) INC.**

**REPLACEMENT RESERVE FUND**

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

**For the year ended December 31, 2021**

	<b>2021</b>	<b>2020</b>
REVENUE		
Investment income (loss)	\$ (6,402)	\$ 12,098
City of Ottawa funding	<u>123,633</u>	<u>14,225</u>
	117,231	26,323
EXPENDITURES	<u>174,204</u>	<u>49,636</u>
NET EXPENDITURES	(56,973)	(23,313)
FUND BALANCE - BEGINNING OF YEAR	<u>245,656</u>	<u>219,762</u>
	188,683	196,449
INTERFUND TRANSFERS FROM OPERATING FUND	23,243	23,343
INTERFUND TRANSFERS TO REPLACEMENT RESERVE FUND PER ANNUAL INFORMATION RETURN RECONCILIATION	19,188	25,864
<b>FUND BALANCE - END OF YEAR</b>	<b><u>\$ 231,114</u></b>	<b><u>\$ 245,656</u></b>

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

ELLWOOD HOUSE (OTTAWA) INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	2021	2020
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expenditures)		
Operating fund	\$ 61,618	\$ 75,071
Development fund	(111,937)	(30,393)
Replacement reserve fund	(56,973)	(23,313)
Item not affecting cash: Amortization	104,744	102,991
Net change in non-cash working capital items:		
Accounts receivable	(37,585)	(15,940)
Due from/to the City of Ottawa	23,711	(23,379)
Prepaid expenses	102	7,536
Accounts payable and accrued liabilities	<u>(5,439)</u>	<u>4,501</u>
	<u>(21,759)</u>	<u>97,074</u>
INVESTING ACTIVITIES		
Redemption (purchase) of short-term investments	<u>163,441</u>	<u>(12,098)</u>
FINANCING ACTIVITIES		
Development fund financing	75,000	25,000
Repayment of long-term debt	<u>(104,744)</u>	<u>(102,991)</u>
	<u>(29,744)</u>	<u>(77,991)</u>
NET CHANGE IN CASH	111,938	6,985
CASH - BEGINNING OF YEAR	154,214	147,229
CASH - END OF YEAR	<u>\$ 266,152</u>	<u>\$ 154,214</u>

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

**ELLWOOD HOUSE (OTTAWA) INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2021**

---

**1. NATURE OF ORGANIZATION**

Ellwood House (Ottawa) Inc. ("the Organization") was incorporated in the Province of Ontario on December 11, 1987 by St. Thomas the Apostle Church. The purpose of the Organization is to administer a not-for-profit senior's residence. The Organization's original operating agreement dated August 9, 1988 with the Ministry of Housing includes provisions for approval of rental rates, amortization charges, contribution to a replacement reserve fund and annual budget submissions. Rent and operating subsidies are now provided to the Organization by the City of Ottawa Housing Branch as the Service Manager pursuant to the Housing Services Act (2011). Ellwood House (Ottawa) Inc. qualifies as a registered charity as defined in Section 149(1)(c) of the Income Tax Act, and, as such, is exempt from income taxes and is authorized to issue tax deductible receipts to its donors.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The principal accounting policies of the Organization are summarized as follows:

Short-term Investments

These financial assets are measured at fair value at the statement of financial position date. Fair value fluctuations are included in the statement of operations.

Capital Assets

Capital assets are stated at cost. Amortization is provided at an amount equal to the annual principal reduction of the mortgage which Management believes represents useful life of the capital assets. This policy is in accordance with direction from the Ministry of Housing and results in a nominal amount of \$1 reflected as net assets invested in capital assets on the statement of financial position. A replacement reserve fund is maintained to provide for future asset replacement.

**ELLWOOD HOUSE (OTTAWA) INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2021**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are recognized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

Donations are recognized as revenue when received.

Investment income includes interest income and dividends as accrued and capital gains (losses) as realized and unrealized changes in short-term investments.

Donated Services

Certain work of the Organization is dependent on the voluntary service of certain individuals. Since these services are not normally purchased by the Organization and because of the difficulty in determining their fair value, donated services are not recognized in these statements.

Reserve Funds

Transfers between funds are made as approved by the Board of Directors.

The Organization is required to maintain a separate account for the deposit of donations and other gifts. Donation funds are used by the Organization to fund projects and/or capital improvements intended to enhance the quality of life of the seniors in residence.

Contributions to the replacement reserve fund are based on a formula developed by the City of Ottawa Housing Branch. This amount is approved by the City as part of the annual budget process. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only as approved by the Housing Services Act. The funds in the account may only be used for capital replacements.

Board established a development fund to record the donations and costs associated with making an application to build Ellwood House II on land adjacent to the current site. A loan was also obtained from the City of Ottawa to finance the costs of these applications.

**ELLWOOD HOUSE (OTTAWA) INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2021**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from these estimates.

**3. SHORT-TERM INVESTMENTS**

Per the City of Ottawa Housing Branch, the Organization must keep the replacement reserve funds in a separate bank account and/or invested only as approved by the Housing Services Act (2011). Accordingly, the Organization has the following low-risk investments:

	<u>2021</u>	<u>2020</u>
Social Housing Canadian Bond Fund Series A	\$ 19,075	\$ 84,154
Social Housing Canadian Short-term Bond Fund Series A	14,809	113,171
	<u>\$ 33,884</u>	<u>\$ 197,325</u>

**4. DUE FROM/TO THE CITY OF OTTAWA**

The amount due from/to the City of Ottawa Housing Branch represents the anticipated subsidy payment resulting from a deficiency/excess of budgeted subsidy when actual revenues and expenditures are reconciled on the Annual Information Return (AIR). Any adjustment to this estimate is shown in the Statement of Operations - Operating Fund in the year the adjustment is made.

**ELLWOOD HOUSE (OTTAWA) INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2021**

**5. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Building	\$ 1,926,023	\$ 1,674,843	\$ 251,180	\$ 353,327
Furniture and equipment	48,268	38,932	9,336	11,933
	<b>\$ 1,974,291</b>	<b>\$ 1,713,775</b>	<b>\$ 260,516</b>	<b>\$ 365,260</b>

**6. LONG-TERM DEBT**

	2021	2020
1.69% mortgage, payable \$9,174 monthly, including principal and interest, maturing May 2024, secured by chattel mortgage on the property and assignment of rental fees.	\$ 260,515	\$ 365,259
Pre-development loan, non-interest bearing, repayable in 2040, unless otherwise terminated.	100,000	25,000
	360,515	390,259
Less: current portion	106,520	104,743
	<b>\$ 253,995</b>	<b>\$ 285,516</b>

The Organization has the following principal repayments over the next three years:

2022	-	\$ 106,520
2023	-	108,328
2024	-	45,667

**ELLWOOD HOUSE (OTTAWA) INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2021**

---

**7. MAJOR COMMITMENTS**

Maintenance - The Organization has engaged the services of a Company to perform winter maintenance until April 2022 for a balance on the contract of \$8,552, inclusive of HST.

Land Lease - The Corporation 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. stands upon for \$1 per year from June 30, 1988 to June 30, 2023.

**8. REPLACEMENT RESERVE FUND EXPENDITURES**

Significant expenditures from the reserve fund in 2021 included roofing, heating and plumbing.

**9. FINANCIAL INSTRUMENTS**

The Organization's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities, and amount due to the City of Ottawa. It is Management's opinion that the fair value of these instruments is not materially different than their cost and that the Organization is not exposed to significant interest rate, currency or credit risk.

The fair values of the Canadian short-term bond fund investments are derived from quoted market prices on the Organization's investment portfolio as at December 31, 2021. The investments are held by Worldsource Financial Management Inc. for the Social Housing Investment Program.

**ELLWOOD HOUSE (OTTAWA) INC.**

**SCHEDULES TO THE STATEMENT OF OPERATIONS**

**For the year ended December 31, 2021**

---

**SCHEDULE 1 - ADMINISTRATIVE OVERHEAD**

	<b>2021</b>	<b>2020</b>
Management fees	\$ 22,777	\$ 22,269
Materials and services	238	15
Office supplies	537	530
Other	1,554	671
Professional fees	6,037	2,715
Transportation and communication	4,709	4,462
	<b>\$ 35,852</b>	<b>\$ 30,662</b>

---

**SCHEDULE 2 - MATERIALS AND SERVICES**

	<b>2021</b>	<b>2020</b>
Electrical system	\$ 1,242	\$ 254
Elevators	4,707	4,258
Equipment	204	198
Grounds	8,735	8,728
Repairs, maintenance and supplies	51,346	61,996
Security	4,618	5,262
	<b>\$ 70,852</b>	<b>\$ 80,696</b>

---

**SCHEDULE 3 - UTILITIES**

	<b>2021</b>	<b>2020</b>
Electricity	\$ 12,404	\$ 10,491
Fuel	5,716	6,987
Water and sewer	11,801	11,203
	<b>\$ 29,921</b>	<b>\$ 28,681</b>