

**Attachment 1**

Financial Statements

**Ottawa Community Housing Corporation**  
December 31, 2006

## AUDITORS' REPORT

To the Board of Directors and the Shareholder of  
**Ottawa Community Housing Corporation**

We have audited the balance sheet of **Ottawa Community Housing Corporation** as at December 31, 2006 and the statement of operations and surplus, the statement of reserves, the statement of cash flows for the year then ended. These financial statements have been prepared to comply with requirements of the Directors of Ottawa Community Housing Corporation, the Service Manager and the Social Housing Reform Act. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements.

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, Shareholder and Service Manager of Ottawa Community Housing Corporation. The financial statements should not be used by anyone other than the specified users or for any other purpose.

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.

Ottawa, Canada,  
March 9, 2007.

Chartered Accountants

**Ottawa Community Housing Corporation**  
Incorporated under the laws of Ontario

**BALANCE SHEET**

As at December 31

	2006 \$	2005 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	13,962,934	9,711,129
Subsidies receivable:		
City of Ottawa [Service Manager] [note 13]	468,464	2,113,855
Rents receivable	763,275	727,432
Other accounts receivable	266,690	526,021
GST Receivable	1,119,883	1,001,268
Prepaid expenses	1,679,897	1,309,513
<b>Total current assets</b>	<b>18,261,143</b>	<b>15,389,218</b>
Net capital assets [notes 4 and 5]	339,436,113	351,776,270
Marketable securities [note 3]	39,041,477	43,204,811
	<b>396,738,733</b>	<b>410,370,299</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	9,374,304	9,867,889
Accrued interest on long term liabilities	1,123,430	1,202,101
Prepaid rents and subsidies	795,579	604,482
WSIB estimated costs - current [note 11]	152,870	182,771
Current portion of long term liabilities [notes 5, 7 and Schedule A]	12,675,267	11,918,700
<b>Total current liabilities</b>	<b>24,121,450</b>	<b>23,775,943</b>
Vested employee benefits [notes 9 and 10]	2,398,583	2,143,410
WSIB estimated future benefit costs [note 11]	1,486,168	1,475,472
Long-term liabilities [notes 5, 7 and Schedule A]	314,856,684	325,768,839
<b>Total liabilities</b>	<b>342,862,885</b>	<b>353,163,664</b>
Commitments and contingent liabilities [note 12]		
<b>SHAREHOLDER'S EQUITY</b>		
Share capital	100	100
Contributed surplus	1,650,135	1,650,135
Reserves [note 6]	52,225,613	55,556,400
<b>Total net assets</b>	<b>53,875,848</b>	<b>57,206,635</b>
	<b>396,738,733</b>	<b>410,370,299</b>

See accompanying notes

On behalf of the Board:

Director

Director

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## Ottawa Community Housing Corporation

### STATEMENT OF OPERATIONS AND SURPLUS

Year ending December 31

	2006	2005
	\$	\$
<b>REVENUES</b>		
Rents	60,310,472	60,054,825
Subsidies:		
Service Manager subsidies <i>[note 13]</i>	55,911,733	54,678,083
Other revenue	2,336,555	2,201,937
<b>Total revenues</b>	<b>118,558,760</b>	<b>116,934,845</b>
<b>OPERATING COSTS</b>		
Maintenance salaries, wages and benefits	8,794,977	8,459,548
Maintenance material and services	14,055,341	15,203,672
Administration	11,633,987	9,790,875
Other	1,696,155	1,406,125
Utilities	20,633,719	21,184,559
<b>Total operating costs</b>	<b>56,814,179</b>	<b>56,044,779</b>
<b>FIXED COSTS</b>		
Municipal taxes	19,119,667	17,963,846
Interest on long term liabilities	19,781,024	20,834,081
Amortization of fixed assets	12,232,346	11,535,826
Less recoveries	(372,549)	(581,199)
<b>Total expenses</b>	<b>107,574,667</b>	<b>105,797,333</b>
<b>Excess of revenue over operating cost</b>	<b>10,984,093</b>	<b>11,137,512</b>
Adjustment to prior year funding	11,990	—
<b>Net revenues before reserve contributions</b>	<b>10,996,083</b>	<b>11,137,512</b>
Transfer to capital reserve fund <i>[note 6]</i>	(11,358,933)	(11,411,467)
Transfer from reserves <i>[note 6c]</i>	362,850	273,955
<b>Net surplus for the year</b>	<b>(10,996,083)</b>	<b>(11,137,512)</b>

*See accompanying notes*

**Ottawa Community Housing Corporation**

**STATEMENT OF RESERVES**

	Capital Reserves		Reserves			Total		
	Non-Profit \$	Public \$	Invested in Capital Assets \$	Vehicle \$	Federal Operating Surplus \$	Community Reinvestment Fund \$	2006 \$	2005 \$
Balance, beginning of year	29,019,514	1,208,704	12,273,371	220,318	12,834,493	—	55,556,400	59,051,423
Contributions from operations	3,456,124	6,625,500	—	—	1,277,310	(374,841)	10,984,093	11,137,512
Other contributions	1,723,293	—	(2,193,044)	—	—	179,275	(290,476)	12,050,170
Interest earned	3,882,789	154,701	—	13,463	2,159,912	(77,475)	6,133,390	1,945,335
Expenses	(13,058,062)	(6,933,088)	—	(140,317)	—	(26,327)	(20,157,794)	(28,628,040)
Interfund transfers	977,942	—	—	—	(1,277,310)	299,368	—	—
<b>Balance, end of year</b>	<b>26,001,600</b>	<b>1,055,817</b>	<b>10,080,327</b>	<b>93,464</b>	<b>14,994,405</b>	<b>—</b>	<b>52,225,613</b>	<b>55,556,400</b>

See accompanying notes

## Ottawa Community Housing Corporation

### STATEMENT OF CASH FLOWS

Year ended December 31

	2006 \$	2005 \$
<b>OPERATING ACTIVITIES</b>		
Net revenues before reserve contributions for the year	10,996,083	11,137,512
Add charges to operations not requiring a cash payment:		
Debenture subsidy	(4,085,023)	(3,815,850)
Amortization	12,302,957	11,535,826
	<b>19,214,017</b>	<b>18,857,488</b>
Net changes in non-cash working capital balances:		
Subsidies receivable		
Service manager	1,645,391	4,265,956
Rents receivable, accounts receivable, rebates and other current assets	(265,510)	(523,377)
Accounts payable and accrued liabilities	(493,585)	2,737,373
Accrued interest on long term liabilities	(78,671)	183,162
Increase (decrease) in prepaid rents and subsidies	191,097	(126,962)
Increase in vested employee benefits	255,173	339,905
(Decrease) increase in WSIB benefits	(19,205)	178,910
<b>Cash provided by operating activities</b>	<b>20,448,707</b>	<b>25,912,455</b>
<b>FINANCING ACTIVITIES</b>		
Mortgages, debentures and loan issues	1,852,500	5,240,000
Mortgage, debenture and loan repayments	(7,859,143)	(7,416,181)
<b>Cash used in financing activities</b>	<b>(6,006,643)</b>	<b>(2,176,181)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	—	(11,978,238)
Draw on marketable securities	4,163,334	4,853,692
Expenses charged to reserves	(20,486,983)	(16,633,997)
Interest earned on reserves	6,133,390	1,945,335
<b>Cash used in investing activities</b>	<b>(10,190,259)</b>	<b>(21,813,208)</b>
Net increase in cash during the year	4,251,805	1,923,066
Cash position at beginning of year	9,711,129	7,788,063
<b>Cash position at end of year</b>	<b>13,962,934</b>	<b>9,711,129</b>
Supplemental disclosure		
Cash paid for interest	19,859,695	20,879,990

*See accompanying notes*

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## **Ottawa Community Housing Corporation**

# **NOTES TO FINANCIAL STATEMENTS**

December 31, 2006

### **1. ORGANIZATION**

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

Effective June 28, 2002, Ottawa Housing Corporation changed its name to Ottawa Community Housing Corporation. The Corporation acquired the assets and liabilities of the non-profit housing corporation, City of Ottawa Non-Profit Housing Corporation (City Living), on September 3, 2002. However, pending receipt of the consent of mortgagees and some title and other related matters, the transfer of title to some of the real properties has been delayed. Pending the transfer of title to such properties, the Corporation has authority to manage and enter into all contracts and agreements as agent for City Living at its sole discretion. Assets and liabilities were transferred at their net book value as recorded in the Corporation's records as at September 3, 2002. The capital stock and contributed surplus of City Living were transferred to the Ottawa Community Housing Corporation.

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. 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 Social Housing Reform Act which has replaced operating agreements for some programs.

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

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are the representation of management, prepared in accordance with accounting policies prescribed or appropriate for such organizations on a basis consistent with that of the preceding year. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of the financial statements necessarily involves the use of estimates which have been made using careful judgment by management.

## Ottawa Community Housing Corporation

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

The equity program is not governed by the Social Housing Reform Act and is accounted for in accordance with Canadian Generally Accepted Accounting Principles for non-profit organizations. For all other programs, these financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the requirements of the Board of Directors, Service Manager and the Social Housing Reform Act, which differs from Canadian Generally Accepted Accounting Principles because:

- [a] Due to the requirements of the operating directives as administered by the Service Manager, purchases of office furniture and equipment are charged directly to the capital reserve fund rather than being capitalized on the balance sheet and amortized over their useful lives and transfers to reserves are reported as operating costs.
- [b] Capital assets are recorded at cost, less any external grants and funding from the reserves.
- [c] Depreciation of fixed assets governed by the Social Housing Reform Act is provided for on a sinking fund basis, which matches the same basis as principal repayments on mortgages, debentures and loans during the year.
- [d] Investment income is recorded directly in the reserves rather than being recorded in the statement of operations.

The following is a summary of the significant accounting policies used in the preparation of the Corporation's financial statements:

#### **Accrual accounting**

The Corporation uses the accrual basis of accounting. Under this basis, rental income and subsidies are recognized in the year in which they are earned, and expenses are recognized in the year incurred as a result of the receipt of goods or services and the creation of a legal obligation to pay.

#### **Capital assets**

Housing projects under the Social Housing Reform Act are recorded at cost less any related grants and less accumulated depreciation. Capital assets under the Equity Program are recorded at cost. Cost includes the original cost of the land and buildings, and other related costs. The cost of major improvements necessary to renovate and refurbish buildings which are financed by mortgages are also included in housing project costs.



## Ottawa Community Housing Corporation

# NOTES TO FINANCIAL STATEMENTS

December 31, 2006

### Depreciation

For sites where operating agreements are governed by the Social Housing Reform Act, the depreciation of capital assets is provided on the same basis as the principal repayments on mortgages, debentures and loans during the year. The depreciation of capital assets acquired by the Corporation under the Equity program is calculated on a straight line method based on the useful life of the asset which ranges from 20 to 40 years.

### Interest on long-term liabilities

Interest on long-term liabilities includes interest accrued from the dates of the latest interest payments to the end of the financial year.

### Reserves and investment in Capital assets

The Corporation has the following reserves:

**Capital reserves** for the renovation or improvement of the contributing property, for work which 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 reserves. Contributions are made on an annual basis in accordance with program requirements or operating agreements.

A **Vehicle reserve** to equalize vehicle operating costs from one operating budget year to another. Contributions are made at year end in amounts set down in the operating budget.

The **Community Reinvestment Fund** is a discretionary fund that exists to maintain or develop housing or services. The fund consists of retained earnings from housing programs not subject to operating agreements. Contributions from operations to the Community Reinvestment Fund are included in the determination of excess revenues or expenses for the year.

The **Federal Operating Surplus** consists of the cumulative operating surpluses generated in the Community Sponsored and the Limited Dividend Apartment programs, for sites where operating agreements still exist.

**Investment in Capital assets** consists of housing acquisitions within the Equity program. The account relates to contributions that were made toward the purchase of new rental units from retained earnings of housing programs not subject to operating agreements. The fund balance reflects the depreciation of the assets.

## Ottawa Community Housing Corporation

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

#### Marketable securities

Marketable securities are carried at lower of cost or market value. They are only written down when there has been a permanent impairment to the carrying value on a portfolio basis.

#### Employee-related costs

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 other employee benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, expected health care costs and plan investment performance;
- [iv] Employee future benefit liabilities are discounted using current interest rates on long-term bonds; and
- [v] The costs of the workplace safety and insurance obligations are actuarially determined by WSIB and expensed.

### 3. MARKETABLE SECURITIES

Investment in financial instruments results in investment risk to the Corporation. These include the risk arising from changes in interest rates, in rates of exchange for foreign currency, and in the equity markets both domestic and foreign. They also include 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 proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the concentrations described above do not represent excessive risk.

## Ottawa Community Housing Corporation

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

The Corporation adopted an investment policy to establish principles and guidelines appropriate for the management of assets accumulated by the Corporation for the purpose of maintaining and preserving its residential properties. The objectives of the policy are:

- [a] to maintain the safety of capital;
- [b] to effectively utilize the assets that have accumulated; and
- [c] to maximize return at an acceptable level of risk.

The evaluation of securities at the lower of cost and market value is done by management on a portfolio basis. The book value and market value of the Corporation's portfolio as at December 31, 2006 are \$39,041,477 [2005 - \$43,204,811] and \$42,273,723 [2005 - \$47,285,404] respectively.

	<b>Book Value \$</b>	<b>Market Value \$</b>	<b>%</b>
<b>Marketable securities, at market</b>			
Liquid assets	2,187,331	2,187,331	5.17
Government of Canada Bonds	321,172	323,549	0.77
Provincial Bonds	2,584,665	2,629,858	6.22
Municipal Bonds	946,191	947,730	2.24
Corporate Bonds	3,475,687	3,531,881	8.35
Canadian Common Stocks	3,416,845	5,694,255	13.47
Foreign Common Stocks	11,344,456	12,268,105	29.02
Mutual Funds	14,497,577	14,428,549	34.13
Other	267,553	262,465	0.63
<b>Total</b>	<b>39,041,477</b>	<b>42,273,723</b>	<b>100.0</b>

## Ottawa Community Housing Corporation

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

#### 4. CAPITAL ASSETS

Capital assets as at December 31 were as follows:

	2006 Cost \$	2005 Cost \$
Land	71,786,905	71,760,182
Prepaid land leases	1,103,996	1,103,996
Buildings and equipment	378,297,387	378,297,387
Leasehold improvements	825,269	889,193
	<u>452,013,557</u>	<u>452,050,758</u>
Accumulated amortization	(112,577,444)	(100,274,488)
<b>Net book value</b>	<b>339,436,113</b>	<b>351,776,270</b>

Capital Assets in the equity program are capitalized at their full cost, and amortized. Capital assets in the equity program, net of accumulated depreciation and reserves at December 31, 2006 decreased by \$2,193,044 to \$10,080,327 [2005 - \$12,273,371].

#### 5. LONG-TERM LIABILITIES

Long-term liabilities, described in schedule A to the financial statements, are comprised of the following:

	2006 \$	2005 \$
Mortgages	236,380,735	242,174,919
Forgivable loan – Canada-Ontario Affordable Housing Program	1,740,000	1,740,000
Forgivable loans – RRAP	435,268	499,192
Debentures	88,975,948	93,273,428
	<u>327,531,951</u>	<u>337,687,539</u>
Less: Current portion	(12,675,267)	(11,918,700)
<b>Long-term liabilities</b>	<b>314,856,684</b>	<b>325,768,839</b>

Mortgages payable include all mortgages for which agreements have been signed.

The forgivable loans include all funding related to the Residential Rehabilitation Assistance Program (RRAP). Schedule A [page 8] details the amounts and terms by site. Schedule A [page 10] details the forgivable loan received by the Corporation for 380 Somerset. The loan was provided by the Ministry of Municipal Affairs and Housing under the Canada-Ontario Affordable Housing Program. The loan has a term of twenty years, and on each anniversary date of the interest

## Ottawa Community Housing Corporation

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

adjustment date, the amount of interest is forgiven. The loan amount shall be fully forgiven on the last day of the month at the end of the term of the loan provided that the Ottawa Community Housing Corporation has fulfilled all the requirements of the loan agreement.

The capital assets are pledged as collateral for the mortgages payable. Under the terms of the operating agreements and the Social Housing Reform Act, the Corporation may not further mortgage the capital assets of subject properties without the prior written approval of the Ministry of Municipal Affairs and Housing for the Province of Ontario and/or Canada Mortgage and Housing Corporation.

Principal repayments required for the years 2007 to 2011 for all mortgages, debentures and loans outstanding as at December 31, 2006 are expected to be approximately as follows:

	\$
2007	12,675,267
2008	13,623,200
2009	14,570,793
2010	15,511,266
2011	16,436,334
Thereafter	254,715,091

#### 6. RESERVES

Ottawa Community Housing has the following reserves:

##### [a] Capital reserves

Contributions from operations:

**Non-Profit Program:** For the period ended December 31, 2006, the contributions from operations for the Non-Profit Program amounted to \$3,456,124 [2005 - \$3,522,269].

**Public Program:** The annual approved capital spending for the public program is contributed to the Capital reserves for the program. Capital spending is funded from the reserve. The remaining balance is carried forward into the next year. For 2006, the Service Manager approved \$6,625,500 in capital spending for the Public Program. For 2006, \$6,933,088 [2005 - \$7,539,136] was spent on capital repairs and capital maintenance. There remains a balance of \$1,055,817 in the capital reserves for the public program as at December 31, 2006.

## Ottawa Community Housing Corporation

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

#### [b] Vehicle reserve

In 2006, \$140,317 [2005 - contribution of \$147,654] was expensed to the Vehicle reserve.

#### [c] Community Reinvestment Fund

[i] The Corporation contributed to [received from] the Community Reinvestment Fund an amount equal to the excess revenue of all projects in certain programs.

The contributions by program were:

	2006	2005
	\$	\$
Equity programs	1,630,044	1,316,624
Municipal non-profit	(433,537)	(322,366)
Provincial reformed	(354,457)	(556,624)
Public	(1,216,891)	(711,589)
	<u>(374,841)</u>	<u>(273,955)</u>

[ii] There remains no balance in the Community Reinvestment Fund as at December 31, 2006 [2005 - \$nil].

#### [d] Internal borrowings

[i] In 1999, the Corporation refinanced a mortgage for the Somerset Rooming House in the amount of \$251,577 from the Community Reinvestment Fund. This liability is being repaid at an interest rate set annually in May at the prime rate plus 1% for a term of fifteen years, calculated semi-annually and amortized over a period of fifteen years. The payments are charged to the Somerset Rooming House operations. Interest and principal repayment is credited back to the Community Reinvestment Fund. As at December 31, 2006 a principal balance of \$145,535 [2005 - \$162,310] is outstanding and committed to the Community Reinvestment Fund.

[ii] In 1996, the Corporation refinanced a mortgage for the Bronson Rooming House in the amount of \$118,700 from the Community Reinvestment Fund. This liability is being repaid at an interest rate set annually in May at the prime rate plus 1% for a term of fifteen years, calculated semi-annually and amortized over a period of fifteen years. As at December 31, 2006, a principal balance of \$43,386 [2005 - \$52,885] was outstanding and is committed to the Community Reinvestment Fund.

## Ottawa Community Housing Corporation

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

#### **[e] Federal operating surplus**

Operating surpluses in the Federal program are contributed either to the Capital Reserves for the sites in the program, or to the federal operating surplus. The federal operating surplus was identified in 2004 and consists of the cumulative operating surpluses generated in the Community sponsored and Limited Dividend apartment programs, for sites where operating agreements still exist. For 2006, the operating surplus of \$1,277,310 [2005 - \$1,263,698] generated by these sites, was contributed to the capital reserves for the sites in this program.

#### **[f] Interfund Transfer**

The Interfund Transfer identified in the Statement of Reserves includes the transfer of \$1,277,310 from the Federal Operating Surplus to the site capital reserves in the Federal Program. The deficit of \$299,368 in the Community Reinvestment Fund was funded by an interfund transfer from the Equity capital reserves. The net impact of these two items is a contribution of \$977,942 to the Non-Profit Capital Reserves.

## **7. CAPITAL GRANTS AND FORGIVABLE LOANS**

### **Canada Mortgage and Housing Corporation**

In prior years, the Corporation has received capital contributions totalling \$1,564,700 from Canada Mortgage and Housing Corporation ["CMHC"] for Community Sponsored family housing funded through mortgage agreements with CMHC. The Corporation received loans totalling \$743,706 under the Federal Government's Residential Rehabilitation Assistance Program ["RRAP"] which are forgivable. These amounts have been recorded as leasehold improvements which are depreciated at the same rate that the loans are forgiven. As at December 31, 2006, a principal balance of \$435,268 [2005 - \$499,192] remains as forgivable.

The capital contributions of \$1,564,700 and the unforgiven portion of the RRAP loans are not repayable as long as the projects are managed and operated within the terms and conditions of the mortgage and operating agreements entered into with CMHC.

### **Ministry of Municipal Affairs and Housing**

The Corporation received a capital contribution totalling \$1,740,000 in 2005 from the Ministry of Municipal Affairs and Housing (MMAH) under the Canada-Ontario Affordable Housing Program for the 60 units of housing developed at 380 Somerset. The capital contribution and interest have a term of twenty years. The loan is not repayable as long as the project is operated within the terms and conditions of the agreement entered into with MMAH.

## **Ottawa Community Housing Corporation**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2006

#### **Ontario Mortgage Corporation**

In prior years, the Corporation received a forgivable interest-free first mortgage loan totalling \$378,146 from the Ontario Mortgage Corporation for the Bruyere Street Rooming House. This amount has been netted against the capital cost of the rooming house. The mortgage has a term of twenty-five years from December 1, 1988 and is forgivable at the rate of 1/15 of the loan amount on each anniversary date after the first ten years as long as the project is managed and operated within the terms and conditions of the Permanent Housing for the Homeless Program.

#### **8. PENSION AGREEMENTS**

The Corporation makes matching contributions to the Ontario Municipal Employees Retirement Fund ["O.M.E.R.S."] which is a multi employer plan on behalf of 252 [2005 - 235] members of its staff. 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.

O.M.E.R.S. contributions resumed in 2003 after a contribution holiday that started in August 1998 and ended in December 2002. The 2003 contributions were resumed on a phase-in basis over three years to their full amount in 2005 as required by the Plan actuarial valuation. However, in 2003 O.M.E.R.S. decided after reviewing the plan's funded status and considering under-performing investment markets over the past three years that full contributions would resume in 2004 rather than 2005.

The amount contributed to O.M.E.R.S. for 2006 was \$935,771 [2005 - \$777,755] for current year service and is included as an expense in the Statement of Operations and Surplus.

#### **9. LIABILITY FOR ANNUAL LEAVE BENEFITS**

The Corporation recognizes sick leave and annual leave expenses as they accrue to employees. This results in the creation of a liability for vested employee benefits. The balance of the liability stood at \$824,817 [2005 - \$720,511] as at December 31, 2006. Banked sick leave has no cash value and is not payable upon termination.



**Ottawa Community Housing Corporation****NOTES TO FINANCIAL STATEMENTS**

December 31, 2006

**10. LIABILITY FOR FUTURE EMPLOYEE BENEFIT COSTS –  
MEDICAL COVERAGE**

The Corporation provides medical coverage to bargaining unit employees who retire between the ages of 55 and 65 with an unreduced pension. The cost of the benefit is expensed over the life of the employee's service with the corporation. Prior to 2004, the cost was expensed when paid. However, for 2004 the corporation performed an actuarial valuation of this benefit which was updated annually thereafter and estimated the liability at \$1,573,766 [2005 - \$1,422,899] as at December 31, 2006. The net periodic benefit cost was \$153,885 in 2006 [242,104 – 2005]

The discount rate used to determine the accrued benefit obligation was 5.00% [2005 – 5.56%]. The amount of the employee future benefits and related accrued benefit obligation are affected by escalation of health care costs. The assumed health care cost trend for 2006 used to measure the expected cost of benefits covered by the plan is 10%, grading linearly to 5% in 2015.

**11. LIABILITY FOR FUTURE BENEFIT COSTS – WORKPLACE  
SAFETY AND INSURANCE BOARD**

As at December 31, 2006, the Corporation has reported a liability of \$1,639,038 [2005 - \$1,658,243 ] as actuarially determined for the Workplace Safety and Insurance Board (WSIB) for the valuation of the benefits liabilities, of which \$152,870 is current [2005 - \$182,771].

**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 of claims and legal proceedings pending at December 31, 2006 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. RELATED PARTY TRANSACTIONS**

The Corporation transacts with its sole shareholder the City of Ottawa ["the City"]. The City also acts as the Service Manager for the subsidized programs. The transactions include receipt of subsidy payments from the City and payments of Property Taxes and Water and Sewage charges to the City. These transactions are all in the normal course of business for the Corporation. Total subsidies received amounted to \$55,911,733 [2005 - \$54,678,083], with a balance of \$468,464 [2005 - \$2,113,855] receivable as at December 31, 2006. Property taxes of \$19,119,667 [2005 - \$17,963,846] and Water and Sewage charges of \$7,810,475 [2005 - \$7,313,883] were expensed in 2006, with a balance of \$1,001,898 [2005 - \$1,088,532] payable as at December 31, 2006.

## **Ottawa Community Housing Corporation**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2006

#### **Public program**

The subsidy for the Public Housing program is negotiated on yearly basis with the Service Manager. For 2006, \$25,511,427 [2005 - \$25,585,534] was recorded as subsidy revenue, of which \$6,625,500 [2005 - \$6,625,500] was allocated to fund capital maintenance expenditures.

The Corporation has booked a subsidy receivable for the program of \$32,017 which represents the variance between actual results for tenant and other revenue, utilities and property taxes and the Service Manager approved subsidy for tenant and other revenue, utilities and property taxes for the program. The City of Ottawa has recognized that the final subsidy calculation for the program includes recognition of property taxes and utility expenses as cost pass through.

Agreements provide for contributions from the City of Ottawa as Service Manager that assist in the provision of accommodation at rentals less than otherwise required to meet mortgage repayments and operating costs of certain properties. To qualify, the Corporation has agreed to provide a specified number of housing units within each program for occupancy exclusively by low-income tenants on a rent-geared-to-income basis.

#### **14. COMPARATIVE FIGURES**

Certain amounts were reclassified to conform with the presentation adopted in the current year.

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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

INSTITUTION	Program	Property	Maturity Date	Interest Rate	Principal Dec 31/2005	Mortgage Ren. Issue 2006	Repayments 2006		Yrly Payment	Principal Dec 31/2006
							Interest	Principal		
<b>BANK OF MONTREAL</b>										
	Equity General									
	Ron Kolbus Place		2013/12/01	5.750%	3,132,929		175,964	68,447	244,411	3,064,482
	Provincial Reformed									
	Hintonburg Place		2028/03/01	6.011%	7,048,972		411,389	157,068	568,456	6,891,904
	Head Office		2016/05/01	4.910%		1,852,500	61,558	14,676	76,234	1,837,824
	<b>Total Bank of Montreal</b>				10,181,901	1,852,500	648,911	240,191	889,102	11,794,210
<b>CANADA MORTGAGE AND HOUSING CORPORATION</b>										
	Limited Dividend - Apartments									
	MacDonald Manor		2015/08/01 & 2017/10/01	5.125 & 5.875%	787,691		42,167	54,244	96,410	733,448
	Pere Charlebois		2017/10/01	5.875%	197,670		11,158	11,974	23,132	185,696
	Queen Mary Court		2013/07/01	5.125%	153,959		7,414	17,083	24,497	136,876
	Donald Court		2017/01/01 & 2017/10/01	5.375 & 6.125%	414,688		22,438	27,000	49,437	387,689
	Blair House		2017/10/01	6.125%	276,618		16,278	16,510	32,787	260,109
	<b>Community Sponsored</b>									
	Beausejour 1 & 2		2014/07/01 & 2029/02/01	8.000%	3,884,570		293,525	73,406	366,931	3,811,164
	Carson/Paul		2027/09/01	8.000%	2,270,325		173,845	31,659	205,504	2,238,666
	Donald, 68		2013/05/01	8.000%	31,338		1,990	3,064	5,054	28,274
	Marguerite, 965		2013/04/01	8.000%	31,140		1,993	3,106	5,099	28,034
	Tweedsmuir		2028/02/01	8.000%	534,790		41,025	7,122	48,146	527,668
	Riddell		2027/10/01	8.000%	189,280		14,499	2,615	17,114	186,665

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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

**INSTITUTION**

Program	Property	Maturity Date	Interest Rate	Principal Dec 31/2005	Mortgage Ren. Issue 2006	Repayments 2006		Yrly Payment	Principal Dec 31/2006
						Interest	Principal		
Edgeworth, 460		2027/10/01	8.000%	313,756		24,034	4,335	28,369	309,421
Breezehill, 170		2013/04/01	8.000%	56,720		3,634	5,656	9,290	51,064
Flora, 331		2013/02/01	8.000%	32,721		2,076	3,369	5,445	29,353
Frank		2013/02/01	8.000%	142,143		9,019	14,631	23,650	127,511
McLeod, 571		2013/04/01	8.000%	28,588		1,829	2,852	4,681	25,736
Spruce, 51		2013/05/01	8.000%	24,243		1,540	2,370	3,910	21,873
Kilborn, 1670		2013/02/01	8.000%	504,342		32,001	51,916	83,917	452,425
Ashgrove		2029/02/01	8.000%	3,693,303		285,028	47,350	332,378	3,645,953
<b>Municipal Non-Profit</b>									
Beausejour 4		2011/06/01	6.330%	232,344		14,228	10,172	24,400	222,173
Haley Court		2011/06/01	6.330%	684,461		41,985	27,500	69,484	656,961
Bruyère & Bélanger Manor		2013/12/01	5.140%	2,309,001		114,373	132,113	246,486	2,176,888
Bathgate Court		2011/06/01	6.330%	2,022,996		123,207	112,434	235,641	1,910,562
Cairne Court		2016/04/01	4.480%	2,180,113		80,289	129,155	209,443	2,050,959
Dubeau Court		2016/04/01	4.480%	939,148		34,587	55,637	90,224	883,511
Spadina Place		2015/10/01	4.170%	888,439		35,855	46,399	82,254	842,040
Eva Taylor		2013/12/01	5.140%	1,955,626		96,846	112,894	209,740	1,842,732
Loretta/Young		2007/09/01	4.470%	1,142,689		49,036	77,957	126,993	1,064,732
Lebreton 1		2007/06/01	3.270%	1,165,715		36,234	109,829	146,063	1,055,885
Christie Place		2011/06/01	6.330%	2,801,248		171,881	110,668	282,549	2,690,580
Lebreton 3		2007/09/01	4.470%	1,026,317		44,068	68,742	112,810	957,575
Nepean, Place		2015/10/01	4.170%	3,028,329		122,284	154,565	276,850	2,873,763
Woodland Place		2011/06/01	6.330%	3,170,321		194,527	125,248	319,776	3,045,073

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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

**INSTITUTION**

Program	Property	Maturity Date	Interest Rate	Principal Dec 31/2005	Mortgage Ren. Issue 2006	Repayments 2006		Yrly Payment	Principal Dec 31/2006
						Interest	Principal		
	Cahill Place	2016/02/01	4.320%	4,017,860		181,007	193,629	374,636	3,824,230
	Tapiola Court	2009/09/01	4.330%	4,101,285		171,592	225,610	397,202	3,875,674
	Shearwater Court	2007/09/01	4.470%	2,111,488		90,610	144,050	234,660	1,967,438
	<b>Provincial Reformed</b>								
	Strathcona: Wiggins, 301-427	2016/02/01	4.320%	3,995,910		181,310	125,801	307,111	3,870,109
	Strathcona: Renovations 1	2008/06/01	4.460%	1,548,837		67,606	41,618	109,223	1,507,220
	Strathcona: Goulburn, 300	2016/04/01	4.480%	4,290,229		160,686	116,969	277,655	4,173,260
	Strathcona: Sentier	2012/12/01	5.340%	3,522,843		183,963	87,136	271,099	3,435,708
	Strathcona: Nancy Smith	2013/12/01	5.140%	1,745,632		87,810	41,832	129,641	1,703,801
	Strathcona: Renovations 2	2008/03/01	4.580%	246,666		11,055	6,568	17,623	240,097
	Gilmour	2008/06/01	4.460%	4,137,976		180,620	111,188	291,808	4,026,789
	May Nickson Place	2008/06/01	4.460%	6,116,479		266,981	164,350	431,331	5,952,129
	Orehard Grove	2013/12/01	5.140%	2,161,657		108,744	51,482	160,226	2,110,174
	Cameron Court	2011/06/01	6.330%	4,074,503		250,812	132,558	383,370	3,941,946
	Fairlea Court	2007/03/01	5.790%	4,527,531		254,543	172,612	427,155	4,354,919
	Lavigne Court	2009/09/01	4.330%	3,799,567		160,381	136,701	297,082	3,662,867
	Revell Court	2013/12/01	5.140%	2,924,498		146,372	101,980	248,352	2,822,518
	Esston Place	2011/06/01	6.330%	3,852,582		237,151	125,338	362,489	3,727,244
	<b>Total CMHC</b>			<b>94,290,716</b>		<b>4,886,132</b>	<b>3,632,996</b>	<b>8,519,128</b>	<b>90,657,180</b>

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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

INSTITUTION	Property	Maturity Date	Interest Rate	Principal Dec 31/2005	Mortgage Ren. Issue 2006	Repayments 2006		Principal Dec 31/2006
						Interest	Principal	
<b>NATIONAL LIFE</b>								
Equity General								
Cumberland 312		2011/04/01	4.448%	3,514,273		176,389	101,902	3,412,371
<b>Total National Life</b>				<b>3,514,273</b>	<b>—</b>	<b>176,389</b>	<b>101,902</b>	<b>3,412,371</b>
<b>CO-OPERATORS</b>								
Equity General								
Cumberland 312		2011/04/01	4.448%	2,065,988		103,692	60,210	2,005,778
<b>Total Co-operators</b>				<b>2,065,988</b>	<b>—</b>	<b>103,692</b>	<b>60,210</b>	<b>2,005,778</b>
<b>FIRST NATIONAL</b>								
<b>Provincial Reformed</b>								
St. Peter's Court		2007/09/01	11.250%	3,357,826		363,430	116,698	3,241,128
Blohm Court		2007/07/01	11.250%	3,470,077		373,314	166,448	3,303,628
Lebreton, 55-65		2007/03/01	11.250%	1,043,719		113,432	26,829	1,016,890
<b>Municipal Non-Profit</b>								
Beausejour 3		2006/06/01	10.875%	242,660	(236,162)	12,763	6,498	—
MacKay, 375		2006/08/01	10.875%	122,908	(118,619)	8,584	4,289	(0)
Lebreton 2		2006/06/01	10.875%	815,866	(794,020)	42,911	21,847	—
<b>Total First National</b>				<b>9,053,055</b>	<b>(1,148,801)</b>	<b>914,434</b>	<b>342,608</b>	<b>7,561,646</b>

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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

INSTITUTION	Program	Property	Maturity Date	Interest Rate	Principal Dec 31/2005	Mortgage Ren. Issue 2006		Repayments 2006		Yrly Payment	Principal Dec 31/2006
						Issue 2006	Interest	Interest	Principal		
<b>SCOTIA MORTGAGE</b>											
	Equity General										
	King Edward, 303		2007/08/01	6.750%	341,957			22,159	20,069	42,228	321,887
	<b>Municipal Non-Profit</b>										
	MacKay, 375		2016/08/01	5.033%		118,619		1,950	3,078	5,028	115,542
	Woodland Place		2008/09/01	4.479%		2,001,078		22,119	23,802	45,921	1,977,276
	<b>Provincial Reformed</b>										
	Rockingham, 1126		2012/07/01	5.844%	3,374,335			192,723	81,117	273,840	3,293,218
	Hasenack Place		2012/07/01	5.844%	3,559,909			203,322	85,578	288,900	3,474,330
	Allard Place		2012/12/01	5.418%	4,127,407			218,681	101,107	319,788	4,026,301
	St. Laurent Place		2016/08/01	5.033%	8,811,808			484,354	232,842	717,196	8,578,965
	Marion Dewar Place		2024/05/01	5.830%	9,251,204			528,694	161,328	690,021	9,089,876
	Cumberland/George		2007/01/01	4.954%	3,553,947			171,485	125,273	296,758	3,428,674
	Hunt Club Park		2007/11/01	4.920%	5,982,559			287,873	156,703	444,576	5,825,856
	Winthrop Court		2008/09/01	4.479%		3,478,871		38,467	34,970	73,437	3,443,901
	Bronson Terrace		2016/05/01	4.894%		1,315,481		36,864	26,024	62,888	1,289,458
	Mayview, 1433		2016/05/01	4.894%		2,296,223		64,348	45,426	109,774	2,250,797
	Lexington		2016/05/01	4.894%		3,517,974		98,585	69,590	168,175	3,448,384
	<b>Total Scotia Mortgage</b>				<b>39,003,125</b>	<b>12,728,247</b>	<b>2,371,623</b>	<b>1,166,908</b>	<b>3,538,531</b>	<b>50,564,464</b>	

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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

**INSTITUTION**

Program	Property	Maturity Date	Interest Rate	Principal Dec 31/2005	Mortgage Ren. Issue 2006	Repayments 2006		Yrly Payment	Principal Dec 31/2006
						Interest	Principal		
<b>TORONTO DOMINION BANK</b>									
<b>Equity General</b>									
	380 Somerset St	2015/12/01	4.800%	3,500,000		177,025	74,792	251,817	3,425,208
	Arlington	2008/12/01	4.660%	1,464,607		66,826	36,633	103,460	1,427,973
<b>Provincial Reformed</b>									
	Silver Heights	2014/11/01	5.035%	4,242,971		208,281	138,552	346,833	4,104,418
	Strathcona: Wiggins, 300	2011/03/01	6.123%	2,661,318		158,996	69,614	228,610	2,591,703
	Strathcona: Wiggins 310, 320 & 430	2007/03/01	5.157%	11,286,116	(3,478,871)	568,844	302,076	870,920	10,984,040
	Winthrop Court	2006/09/01	5.624%	3,570,582		147,295	91,711	239,006	—
	Karsh Court	2007/06/01	5.543%	3,543,962		190,820	135,938	326,758	3,408,025
	McCartin Place	2007/06/01	5.543%	4,544,687		246,205	114,005	360,210	4,430,682
	Bronson Terrace	2006/05/01	8.063%	1,328,614	(1,315,481)	43,424	13,133	56,557	—
	Lady Stanley Place	2023/08/01	6.005%	5,561,257		324,891	183,785	508,675	5,377,472
	Brian Bourns, Place	2009/08/01	6.014%	2,055,102		120,709	50,421	171,131	2,004,680
	McAuley Place	2024/06/01	6.100%	11,021,090		657,320	239,768	897,088	10,781,322
	Mayview, 1433	2006/05/01	8.063%	2,319,151	(2,296,223)	75,798	22,928	98,727	(0)
	Lexington	2006/05/01	8.063%	3,553,103	(3,517,974)	116,128	35,129	151,258	—
	Strathcona: Wiggins, 206-296	2009/08/01	6.014%	3,527,478		207,618	70,715	278,333	3,456,763
	Scotthill	2024/12/01	6.752%	8,976,787		592,031	188,970	781,000	8,787,817
	Vachon Place	2023/11/01	5.967%	4,119,347		240,250	94,992	335,242	4,024,355
<b>Municipal Non-Profit</b>									
	Woodland Place	2006/09/01	5.624%	2,064,358	(2,001,078)	84,976	63,280	148,256	—



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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

INSTITUTION	Property	Maturity Date	Interest Rate	Principal Dec 31/2005	Mortgage Ren. Issue 2006		Repayments 2006		Yrly Payment	Principal Dec 31/2006
					Issue 2006	Interest	Principal	Interest		
<b>Total Toronto Dominion Bank</b>				79,340,529	(12,609,627)		4,227,436	1,926,443	6,153,880	64,804,459
<b>GREAT WEST LIFE</b>				4,725,872			201,553	134,735	336,288	4,591,138
<b>Provincial Reformed</b>				4,725,872	--		201,553	134,735	336,288	4,591,138
Thorncliffe Court	2015/08/01		4.360%							
<b>Total Graet West Life</b>										
<b>ROYAL BANK</b>										
<b>Municipal Non-Profit</b>										
Beausejour 3	2016/06/01		4.821%		236,162	5,544	9,329	14,873	14,873	226,834
Lebreton 2	2016/06/01		4.821%		794,020	18,640	31,365	50,005	50,005	762,655
<b>Total Royal Bank</b>					1,030,182	24,184	40,693	64,877	64,877	989,488
<b>GRAND TOTAL ALL MORTGAGES</b>				242,174,920	1,852,500	13,554,355	7,646,686	21,201,041	21,201,041	236,380,734

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**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

**SCHEDULE OF CMHC RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM (RRAP) FORGIVABLE LOANS**

Forgivable Loan	Interest Rate %	Maturity Date #	Forgivable Loan \$	Principal Dec 31/05 \$	Forgivable Portion 2006 \$	Principal Dec 31/06 \$
<b>Sites</b>						
504 Albert	7.50	01-Jan-09	58,381	19,440	6,480	12,960
494 Albert	7.50	01-Jan-08	36,755	9,168	4,584	4,584
48 Bruyere	7.50	01-Jan-08	20,257	5,064	2,532	2,532
506 Bronson	7.50	01-Dec-07	8,848	2,116	1,104	1,012
495-497 Cumberland	7.50	01-Apr-08	43,465	12,204	5,424	6,780
442 Old St. Patrick	8.50	01-Jun-06	18,000	1,500	1,500	—
17 Willow	8.25	01-Oct-08	36,000	19,800	7,200	12,600
17 Willow	8.25	01-Oct-18	504,000	428,400	33,600	394,800
1405 Rosenthal	8.50	01-Jun-06	18,000	1,500	1,500	—
			<b>743,706</b>	<b>499,192</b>	<b>63,924</b>	<b>435,268</b>

**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

Debtenture Payable – Non-Profit Program									
Various Projects									
	Interest Rate %	Maturity Date #	Repayable Loan \$	Principal Dec 31/05 \$	Matured 2006 \$	Repayments – 2006 Principal \$	Interest \$	Principal Dec. 31/06 \$	
Serial debentures									
By-law 38 - 1996	5.25 - 6.75	18-Jun-06	1,600,000	212,457	—	212,457	8,233	—	—
<b>Total Debentures - Non-Profit Program</b>			1,600,000	212,457	—	212,457	8,233	—	—
Debtenture Payable – Public Program									
Various Projects									
	Interest Rate %	Maturity Date #	Repayable Loan \$	Principal Dec 31/05 \$	Matured 2006 \$	Principal \$	Interest \$	Principal Dec. 31/06 \$	
Various Projects	various	1-Jan-14 to 26	—	93,060,971	—	4,085,023	6,623,597	88,975,948	—
<b>Total Debentures - Public Program</b>			—	93,060,971	—	4,085,023	6,623,597	88,975,948	—
<b>Total Debentures</b>			1,600,000	93,273,428	—	4,297,480	6,631,830	88,975,948	—

**SCHEDULE OF MORTGAGES, DEBENTURES AND LOANS**

December 31, 2006

**SCHEDULE OF FORGIVABLE LOAN CANADA-ONTARIO AFFORDABLE HOUSING PROGRAM**

Forgivable Loan	Maturity Date #	Forgivable Loan \$	Principal Dec 31/05 \$	Forgivable Portion 2006 \$	Principal Dec 31/06 \$
Sites 380 Somerset St.	Dec 2025	1,740,000	1,740,000	—	1,740,000
<b>Total Forgivable Loans</b>		<b>1,740,000</b>	<b>1,740,000</b>	<b>—</b>	<b>1,740,000</b>

## **ACCOUNTANT'S REPORT**

Our audit of the financial statements of Ottawa Community Housing Corporation for the year ended December 31, 2006 was made for the purpose of forming an opinion on the financial statements referred to in our Auditors' Report to the Board of Directors and the Shareholder dated March 9, 2007.

The following Schedule of Program Summaries comprising Schedule B, is provided for purposes of additional analysis and is not a required part of the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on the fair presentation of the information referred to above.

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**Schedule B**

**PROGRAM SUMMARIES**

[unaudited - see Accountants' Report]

December 31, 2005

	2006 Budget \$	2006 Actual \$	Federal \$	Equity \$	Municipal Non Profit \$	Provincial Reformed \$	Public \$
<b>OPERATING COSTS</b>							
Maintenance Salaries, wages and benefits	8,589,300	8,794,977	584,686	786,114	525,055	1,539,523	5,359,599
Maintenance material and services	13,778,700	14,055,341	1,101,777	1,466,783	1,177,835	3,078,023	7,230,924
Administration	11,915,300	11,633,987	803,750	1,131,697	910,230	2,263,604	6,524,706
Insurance	1,010,600	1,048,932	70,494	122,803	72,295	186,345	596,995
Bad debts	663,200	647,223	44,902	95,485	58,771	78,788	369,277
<b>Total manageable costs</b>	<b>35,957,100</b>	<b>36,180,460</b>	<b>2,605,609</b>	<b>3,602,882</b>	<b>2,744,186</b>	<b>7,146,283</b>	<b>20,081,501</b>
Utilities							
Electricity	7,860,000	6,125,529	492,449	238,906	108,708	677,764	4,607,702
Fuel	7,417,500	6,697,714	365,454	315,276	200,663	684,673	5,131,648
Water and sewage	8,376,800	7,810,476	534,336	745,539	566,486	1,386,645	4,577,470
<b>Total</b>	<b>23,654,300</b>	<b>20,633,719</b>	<b>1,392,238</b>	<b>1,299,722</b>	<b>875,857</b>	<b>2,749,082</b>	<b>14,316,820</b>
<b>Total operating costs</b>	<b>59,611,400</b>	<b>56,814,179</b>	<b>3,997,847</b>	<b>4,902,604</b>	<b>3,620,043</b>	<b>9,895,365</b>	<b>34,398,321</b>
<b>FIXED COSTS</b>							
Municipal taxes	18,444,800	19,119,667	1,262,455	1,830,720	1,495,309	3,861,348	10,669,835
Interest - mortgages	13,760,200	13,418,953	982,052	718,805	1,785,061	9,933,035	—
Interest - debentures	6,362,500	6,362,070	3,146	4,500	—	—	6,354,424
Principal - mortgages	7,621,500	7,934,866	380,261	664,910	2,000,089	4,889,606	—
Principal - debentures	4,297,700	4,297,480	87,420	125,037	—	—	4,085,023
Capital reserve contribution	10,082,000	10,081,624	671,100	608,624	586,200	1,590,200	6,625,500
Transfer to capital reserve fund	1,000,600	1,277,310	1,277,310	—	—	—	—
<b>Total shelter expenses</b>	<b>121,180,700</b>	<b>119,306,150</b>	<b>8,661,591</b>	<b>8,855,200</b>	<b>9,486,702</b>	<b>30,169,554</b>	<b>62,133,103</b>
Less: Recoveries	(162,700)	(372,549)	—	(372,549)	—	—	—
<b>Total expenses</b>	<b>121,018,000</b>	<b>118,933,601</b>	<b>8,661,591</b>	<b>8,482,651</b>	<b>9,486,702</b>	<b>30,169,554</b>	<b>62,133,103</b>
<b>REVENUES</b>							
Rents	(61,734,700)	(60,310,472)	(4,013,687)	(8,473,627)	(5,131,746)	(8,745,500)	(33,945,912)
Subsidies							
Service Manager - CMHC	(1,259,600)	(1,123,669)	—	—	(1,123,669)	—	—
Service Manager	(55,491,500)	(54,788,064)	(4,563,937)	(1,337,651)	(2,757,057)	(20,617,992)	(25,511,427)
Other revenue	(2,386,200)	(2,336,555)	(83,969)	(301,417)	(40,693)	(451,605)	(1,458,873)
<b>Total revenues</b>	<b>(120,872,000)</b>	<b>(118,558,760)</b>	<b>(8,661,591)</b>	<b>(10,112,695)</b>	<b>(9,053,165)</b>	<b>(29,815,097)</b>	<b>(60,916,212)</b>
<b>Grand total - (surplus)/deficit</b>	<b>146,000</b>	<b>374,841</b>	<b>—</b>	<b>(1,630,044)</b>	<b>433,537</b>	<b>354,457</b>	<b>1,216,891</b>

**Ottawa Community Housing Corporation**  
 Incorporated under the laws of Ontario

**Schedule B**

**PROGRAM SUMMARIES**  
*[unaudited - see Accountants' Report]*

December 31, 2005

	2006 Actual \$	Federal \$	Equity \$	Municipal Non Profit \$	Provincial Reformed \$	Public \$
<b>CAPITAL RESERVES</b>						
Beginning balance	(30,228,218)	(1,055,254)	(961,698)	(7,614,552)	(19,388,008)	(1,208,705)
Contributions from operations	(10,081,624)	(671,100)	(608,624)	(586,200)	(1,590,200)	(6,625,500)
Other contributions	(1,723,293)	—	(1,723,293)	—	—	—
Interfund transfer	(977,942)	(1,277,310)	299,368	—	—	—
Total expenses	19,991,151	1,760,938	1,813,139	3,944,762	5,539,224	6,933,088
Interest calculation	(4,037,490)	(214,124)	(263,782)	(735,779)	(2,669,104)	(154,701)
<b>Revised year end balance</b>	<b>(27,057,417)</b>	<b>(1,456,850)</b>	<b>(1,444,890)</b>	<b>(4,991,767)</b>	<b>(18,108,093)</b>	<b>(1,055,817)</b>