

**SPECIAL MEETING OF COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF MANITOUWADGE, TO BE HELD IN THE COUNCIL CHAMBERS, MUNICIPAL ADMINISTRATION COMPLEX, MANITOUWADGE, ONTARIO, ON WEDNESDAY, JULY 11, 2018 AT THE HOUR OF 6:30 P.M.**

**AGENDA**

- 01 CALL TO ORDER**
  
- 02 DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF**
  
- 03 APPROVAL OF AGENDA**
  
- 04 DELEGATIONS AND PRESENTATIONS**
  
- 05 BUSINESS**
  - 01 Manitouwadge Municipal Housing Corporation 2017 Annual Report**
  
- 06 CLOSED SESSIONS**
  
- 07 BUSINESS ARISING FROM CLOSED SESSION**
  
- 08 ADJOURNMENT**

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RECEIVED

**MANITOUWADGE MUNICIPAL HOUSING CORPORATION**

JUN 26 2018

PO Box 147

Manitouwadge, Ontario P0T 2C0  
Ph. # (807) 826-3601 Fax # (807) 826-1432

THE CORPORATION OF THE  
TOWNSHIP OF MANITOUWADGE

June 26<sup>th</sup>, 2018

Township of Manitouwadge  
1 Mississauga Drive  
Manitouwadge, ON  
P0T 2C0

**Attn: Mayor Major and Councilors**

Dear Sir/Madam

**Re: Manitouwadge Municipal Housing Corporation  
Board of Directors for 2018-2019**

Please find enclosed the names of the members of the Board of Directors for the Manitouwadge Municipal Housing Corporation for the 2018-2019 term.

Helen Williams	Chairperson
Lisa Jomphe	Vice-Chairperson
Donna Jaunzarins	Director
Sheldon Plummer	Director
Andy Major	Director

The above names are being submitted to the Shareholder for approval at the Annual Shareholder's Meeting Scheduled for July 11<sup>th</sup> 2018.

If you require additional information or if you have any questions please give me a call at 826-3601.

Sincerely,

Rita Labbee  
Property Manager

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***Manitouwadge Municipal Housing  
Corporation***

***ANNUAL REPORT 2017***

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**P.O. Box 147  
Manitouwadge, ON  
P0T 2C0**

**Prepared by: H. Williams, Chairperson  
R. Labbee, Property Manager**

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## **1. GENERAL INFORMATION**

### **NON-PROFIT HOUSING: An Introduction**

Non-profit housing provides affordable rental housing without profit. The revenue foundation for non-profit housing is the rent paid by tenants – with subsidies from various government programs, as well as community and charitable contributions, covering the gap between rents and actual costs. It provides decent, affordable rental housing for people whose income, age, social or health needs prevent them from finding adequate housing in the private rental market. And it stays affordable forever.

### **DEMOGRAPHICS OF SOCIAL HOUSING**

Social Housing has a long history in the Province of Ontario and is an essential part of the fabric of our communities today. The people non-profit housing presently accommodates include:

- Seniors: 40% of non-profit housing providers are dedicated to providing a place for seniors to stay in their home communities. They make up 20% of all non-profit housing units.
- Low-income families: 60% of non-profit units are populated by families; many are rent geared to their income.
- People with Special Needs: a third of non-profit housing gives the disabled a place to live independently. Non-profits in concert with social service agencies, also house those who require special support, the chronically homeless and frail elderly, thereby avoiding the need for institutional care.

### **BUILDING TYPES**

Non-profit housing ranges from hostels to high-rises to townhouses, all to meet the diverse needs of the tenants.

Most non-profit housing was built after 1985, so buildings are generally newer and in better condition than public housing, which was built earlier. In the financing of non-profit housing, some provisions have been made for capital reserves for long-term maintenance. It is estimated that the reserves cover approximately 60% of what is needed over the long term.

## **SERVICE PROVIDERS**

Non-Profit Housing is rental housing that comes in three different types:

1. Private Non-Profit Housing is owned and managed by independent, community-based non-profits, such as church groups, service clubs, ethnic organizations, etc. They house seniors, families and special needs tenants of mixed income. Approximately 80% of non-profit housing residents pay rent geared to their income (what is known as Rent Geared-to-Income, or RGI). The remaining 20% pay market rent.
2. Municipal Non-Profit Housing is owned and operated by over 100 different municipalities across Ontario, housing families and seniors. Approximately 80% of Municipal Non-Profit tenants pay rent geared to their income and the remaining 20% pay market rent.
3. Local Housing Corporations are non-profits owned and operated by the 47 “Service Managers” that government established to be responsible for housing, social welfare and ambulance services. This is the publicly-owned, formerly provincial housing stock that was often referred to as “public housing”. All residents pay rent geared to their income.

Most non-profit housing is small in scale, with 75% of non-profit corporations under 100 units. This has ensured that non-profits are integrated into local communities, unlike some of the large scale, urban public housing projects of the past.

Many small housing providers are dedicated to specific client groups such as seniors or tenants with special needs. Large providers tend to house a variety of tenants including seniors, families and special needs groups.

## **FUNDING**

Social housing providers operate on a breakeven basis. Social housing is operated with government assistance. The government provides two kinds of subsidies: a Rent subsidy and a Mortgage subsidy.

On the expense side, mortgage costs, utilities and property taxes total 87% of costs. These represent operating expenses over which the provider has relatively little control. Management and maintenance costs make up 13%. These are manageable costs for providers.

For governments assisting social housing, the most significant cost is the mortgage subsidy. This is an expense that fluctuates according to mortgage interest rates. The rent-geared-to-income subsidy is also a variable cost that changes with tenants’ incomes, particularly in times of recession. Capital replacements costs will vary with time. For this reason, it is important that capital reserves are adequately funded.

## **ADMINISTRATION**

The administration of all of the Social Housing Portfolio in Ontario is the responsibility of the office of the District Social Services Administration Board. The Manitowadge Municipal Housing Corporation is under the Thunder Bay District Social Services Administration Board.

## **VOLUNTEERS**

Volunteers from the community contribute thousands of hours each year to social housing boards and community development activities. Without the dedication and hard work of these individuals, Social Housing, would not be the success that it is.

## **MARKET RENTS**

*Manitowadge Municipal Housing Corp. Market Rents are as follows:*

1 bedroom single unit	-	\$464.00	1 bedroom senior's unit	-	\$617.00
2 bedroom family unit	-	\$522.00	2 bedroom senior's unit	-	\$670.00
3 bedroom family unit	-	\$593.00			

The rent in the family units does not include the utilities; the tenant must pay for these separately. In the seniors apartment complex the utilities are included in the rent.

### **Note:**

*Ideally the market rents for social housing should not lead the market in a community. They should be comparable to the rents in the private sector.*

## **BUILDING CONDITION**

All Non-profits are committed to high quality housing management and typically exceed local standards for maintenance, cleanliness and groundskeeping. The modest rents in non-profit housing ensure people of all incomes can enjoy good housing.



## **BENEFITS OF NON-PROFIT HOUSING**

Non-profit housing is affordable forever. As long as tenants abide by their lease, they can have the permanent home they need to raise their children, or to get their own lives in order.

Non-profit housing is designed to house people who have not been served well by other forms of housing. The Modified Chronological Resident Selection System (MCRSS), that became effective Jan. 1<sup>st</sup>, 1998, allows that a minimum of 50% of the units in a project are to be occupied by RGI households, a minimum of 35% of the units in a portfolio are to be occupied by households in Highest Need.

*Note: "Highest Need" is defined as households who would spend 50% or more of their income to pay the market rent/occupancy charge of the unit in which they live (if they are currently living in the project) or for which they have applied.*

A minimum of 20% of the units in a portfolio are to be occupied by households who pay market rent/occupancy charge unless the Ministry has provided written approval for fewer market units.

At least 10% of the total units in a portfolio are to be occupied by youths, newcomers to the country, and/or persons who are homeless.

*Note: Some households may satisfy more than one category. Therefore, they can be counted in each category that applies to the household, e.g. a high need household is RGI and may also be homeless.*

Also, non-profit housing has allowed senior's, unable to maintain their own homes, an opportunity to remain in their communities.

### **ONPHA (Ontario Non-Profit Housing Association)**

The Manitouwadge Municipal Housing Corporation has been a member of the Ontario Non-Profit Housing Association (ONPHA) since 1989. ONPHA ensures that the voices of all non-profits reach the decision-makers and they get the news back to the members through the Quick Connections Newsletter, Urgent faxes, Regional Meetings and online at [www.onpha.on.ca](http://www.onpha.on.ca).

## 2. OVERVIEW

### MANDATE

The Manitowadge Municipal Housing Corporation was incorporated on August 8<sup>th</sup>, 1986.

The mandate of the Corporation is to provide safe, decent, affordable housing for the people of Manitowadge.

Non-Profit housing is the community's response to people with low incomes who need a place to live. Non-profit housing provides safe, decent, affordable rental housing for people whose income, age, social or health needs prevent them from finding adequate housing in the private sector.

### BOARD OF DIRECTORS

The Corporation can be run by a five member Board of Directors, composed of volunteers from the general community and a council member or members that are appointed to a maximum of two.

#### Board Members for 2017/2018:

Helen Williams	Chairperson
Lisa Jomphe	Vice Chairperson
Sheldon Plummer	Director
Peter Ruel	Director
Donna Jaunzarins	Director

#### Board Members for 2018/2019:

Helen Williams	Chairperson
Lisa Jomphe	Vice Chairperson
Sheldon Plummer	Director
Donna Jaunzarins	Director
Andy Major	Director

## **RENTAL PORTFOLIO**

The Corporation manages a rental portfolio of 76 units located on Moose Drive, Otter Avenue, Graham Drive, Ohsweken Road and Huron Walk at 1 Clinic Court.

### **Phase I - includes a 14 unit Senior's Complex and 18 duplex family units**

Lakeview Terrace Senior's Apartment Complex, is located at 84 Huron Walk, within a short walking distance to the post office, hospital, restaurants, shopping, etc  
The family units are located at various addresses on Moose Drive and Otter Avenue, a short walk to the downtown area.

### **Phase II - includes 12 duplex family units**

These family units are located at various addresses on Moose Drive and Otter Avenue, a short walk to the downtown area.

### **Phase III - includes 20 rowhouse family and single units**

These units are located at 64 to 72 Graham Drive at the entrance to the township, close to the High School.

### **Phase IV - includes 12 rowhouse family and single units**

These units are located at 17 - 19 Ohsweken Road, close to the Public School, the Separate School, the churches and the downtown area.

## **SHAREHOLDER**

The Township of Manitowadge is the one and only shareholder of the Corporation.

## **EMPLOYEES**

In order to efficiently manage the day-to-day operations, a Property Manager and a Maintenance Person are employed as full time employees of the Corporation.

Summer employment for a student has been made available in the past with the help of a subsidy for wages from the Human Resources Development Corporation under the Career Placements Program. By utilizing this program we are able to hire a Secondary School student for thirty hours per week for six weeks, both the student and the Non-Profit benefits from this program. We employ a high school student or a College/University Student that is furthering his/her education in the fall. Even though our application is not always successful we continue to apply every year.

## **RENT CATEGORIES**

Rental units are allocated in three categories according to Ministry of Municipal Affairs & Housing guidelines. These categories include Highest Need, Rent Geared-to-Income or RGI as it is more commonly known, and Market Rent.

The categories are based on income. For example the income cutoff for Market Rent for a one bedroom apartment is \$17,400, anyone with an income lower than this is RGI and anyone with income over this amount will pay market rent.

In the RGI category, the lower the income the lower the rent, RGI rents are based on 30% of the gross income of all persons residing in the unit except for full time students.

Anyone who would have to pay 50% or more of their gross income for Market Rent in the apartment they occupy in considered Highest Need.

The minimum rent that can be charged for a unit is \$85.00. Tenants are responsible for the heat and hydro with the exception of the Seniors Complex, which is all inclusive.

## **APPLICATION PROCESS**

The Service Manager (TBDSSAB) maintains the Central Waiting List for RGI applicants. The Housing Providers continue to maintain the waiting lists for the Market Rent and Modified units.

The Service Manager has developed and provided the service providers with applications. When a person wishes to apply for RGI housing they can pick up an application from the housing office at 1 Clinic Court. They then must fill out the application, provide the required documentation and forward it to the Central Housing Registry for processing. Once the application has been received and the applicant has been determined to be eligible for RGI assistance they will be placed on the waiting list for a unit in Manitowadge.

We are able to check our waiting list on a daily basis, by accessing online the Yardi Program that is maintained by the Central Housing Registry. The applicant will then be contacted and offered an apartment. Once the applicant has accepted the apartment we access the program and offer/house the applicant, this removes them from our waiting list and any other list that they may be on.

At this point in time there is a small wait list for Manitowadge with a majority being for a single units and the Seniors Complex.

## VACANCY RATE

The vacancy rate for the Manitouwadge Municipal Housing Corporation for 2017 was 4% that was 10% lower than 2016. Below is a brief history of the vacancy rate for the previous years.

<u>Year</u>	<u>Vacancy Rate</u>	<u>Year</u>	<u>Vacancy Rate</u>
2015	14%	2012	7%
2014	11%	2011	15%
2013	7%	2010	12%

The vacancy rate in Thunder Bay for 2017 was 4.5% down from 5% in 2016, as reported by the Canada Mortgage & Housing Corporation, Thunder Bay Regional Office. The vacancy rate in 2015 was 4.6%, in 2014 it was 2.8%, in 2013 it was 2.6%, in 2012 it was 1.1%, in 2011 it was 1.7% and in 2010 it was 2.2%.

The vacancy rate for 2017 was lower than the previous year and at year end there were 3 vacant units, which consisted of 1 Market and 2 RGI/HN.

### 3. PROJECT INFORMATION

Phase	# of units	# of bedrooms	size of units
Phase I, Family	6 units	2 bedrooms	1488 sq. ft.
Phase I, Family	12 units	3 bedrooms	1638 sq. ft.
Phase I, Seniors	12 units	1 bedroom	572 sq. ft.
Phase I, Seniors	2 units	2 bedrooms	792 sq. ft.
Phase II, Family	7 units	2 bedrooms	1260 q. ft.
Phase II, Family	5 units	3 bedrooms	1440 sq. ft.
Phase III, Single	10 units	1 bedroom	805 sq. ft.
Phase III, Family	6 units	2 bedrooms	1200 sq. ft.
Phase III, Family	4 units	3 bedrooms	1300 sq. ft.
Phase IV, Single	4 units	1 bedroom	750 sq. ft.
Phase IV, Family	8 units	2 bedrooms	1050 sq. ft.

**LAKEVIEW TERRACE, SENIOR'S APARTMENT COMPLEX**

**The following is included in the rent:**

fridge      stove      heat      hydro      laundry facilities      parking  
garbage removal      use of the Common Room

**This building also has:**

security system      fire alarm system      Air Exchange System (HRV unit)  
elevator      automatic door opener system (installed in 2002)

**FAMILY UNITS**

**The following is included in the rent:**

fridge      stove      HRV unit

**The tenants are responsible for the following:**

Utilities (heat, hydro, hot water tank rental, water & sewage service)      lawn care  
snow removal

*Note: Eighteen of these units have forced air electric furnaces and the remainders have baseboard heat.*

**4. TARGETING PLAN**

**MARKET RENT TARGET**

Our original target was for 26% of the units to be rented at Market Rent. We were given a temporary Market Rent Target reduction from 26% to 19%. This temporary exemption reduction has been put in place to allow the Corporation to continue to benefit financially. This exemption has to be requested every year when our budget is submitted to TBDSSAB.

At year end December 31, 2017 we had 14 units rented at Market Rent (18%) this is the same as reported in 2016, we are just below our target.

## **5. MAINTENANCE**

### **PREVENTATIVE MAINTENANCE PROGRAM**

The Maintenance Person is responsible for maintenance and the janitorial duties at the Lakeview Terrace Seniors Apartment Complex, and general maintenance of the Family Units. He is also responsible for both the planning and implementation of a sound Preventative Maintenance Program.

We see the benefits of this Preventative Maintenance Program on a regular basis, with less major problems, such as furnace or HRV unit breakdowns, plumbing problems, etc.

The Maintenance Person ensures that all work orders are addressed in a timely manner, keeping in mind that any safety or health concerns are dealt with immediately.

We continue to keep a high profile with the tenants, encouraging them to take pride in their homes and to notify us immediately of any concerns regarding maintenance.

### **MOVE-OUTS IN 2017**

There were 13 move outs during 2017, which is down from 2016. With each move-out, the unit must be made ready for the next tenant, and there is always some maintenance required. This maintenance can vary depending on the tenant, from patching small holes in the drywall where pictures were hung to replacing the carpeting and painting the entire apartment.

### **TENANT INVOLVEMENT**

The tenants are encouraged to become involved in doing minor repairs to their own units. This includes, but is not limited to, painting the units. Since the budget for cyclical painting has been eliminated the Corporation has been encouraging the tenants to paint the units themselves as required. The paint and materials are provided to the tenant, any repairs to the drywall that are required, are done by the maintenance department. This seems to be working well and both the Corporation and the tenant benefit.

### **REPLACEMENT RESERVE**

Minor capital reserve funding is based on approximately twenty percent of the projected total capital expenditures required. TBDSSAB continues to contribute to the Reserve Fund for minor capital replacement according to a formula that includes building type, regional location and age of buildings to determine the need for cyclical items.

## **6. 2017 IN REVIEW**

### **RESIDENT INVOLVEMENT COMMITTEE**

The Board of Directors and Staff continues to support the Resident Involvement Committee that has been established by the residents of Lakeview Terrace. The activities organized by the Committee enhance the quality of life at the Complex by encouraging the residents to participate in crafts, gardening, social gatherings, etc. The Committee has established a "Phone a Friend"; everyone involved has a number of people to contact every morning by phone. If no one answers the phone, they contact the Property Manager and the apartment is checked. This has proven beneficial for several residents who had fallen or were too sick to answer the phone. This program is very important for persons living alone.

### **24<sup>th</sup> ANNUAL DINNER**

The 24<sup>th</sup> Annual Pot Luck Dinner for the residents of Lakeview Terrace, Senior's Complex hosted by the board and staff of the Corporation is going to be held differently on a year to year basis. It will be called a Meet and Greet. This is something the Board would like to try and continue to do when possible.

### **SUMMER STUDENT EMPLOYMENT**

In 2017 we applied to Human Resources Skills Development Canada, under the Summer Career Placements 2017 Program, for funding to hire a student to assist the Maintenance Person during the summer. Our application was successful and MMHC hired a Summer Student.

### **BEST DEALS PROGRAM**

This program, coordinated by the Ontario Non-Profit Housing Association (ONPHA), uses the buying power of all of its members to negotiate the best possible deal for various items such as, appliances, plumbing supplies, paint, elevator maintenance, office supplies, etc.

During 2016, we utilized several of the members of the program to purchase plumbing supplies, office supplies, appliances, etc. We continue to realize considerable cost savings by using this program.



## **FIRE SAFETY**

In order to ensure that the residents remain aware of the importance of fire safety the Fire Drills and Information Sessions on fire safety are ongoing at Lakeview Terrace.

A Fire Drill is held every year and an Information Session is held also once a year. For the Information Session the Manitowadge Fire Department is invited to do a presentation on fire safety for the residents and to review the Evacuation Plan for the building.

The Fire Department members have been an invaluable part of the education of the residents regarding fire safety in the home and have encouraged us to continue the practice of holding Fire Drills and Information Sessions. We appreciate the fine work they do and their availability to respond to emergency situations in Manitowadge.

## **WORKPLACE HEALTH & SAFETY**

Formulated and implemented a Workplace Health & Safety Policy per the *Occupational Health & Safety Act, R.S.O. 1990 (OHS)* Setup Monthly Workplace and / or Area Inspection Reports.

## **OPERATIONAL REVIEW**

An Operational Review of the Manitowadge Municipal Housing Corporation was conducted in May 2017 by the staff of the District of Thunder Bay Social Services Department (TBDSSAB). The purpose of this review was to measure the performance of our non-profit corporation against key requirements as outlined in the Housing Services Act, 2011, operating agreements and management practices. The Review went well and there were a few directions and recommendations for action that was required. This is in the process of being completed.

## **BUILDING CONDITION ASSESSMENT**

We are continuing to implement the recommendations of the Capital Reserve Fund Study and Building Condition Assessment Plan. We replaced Nine Fridge's in 2017, Eight Stoves and One Dryer. We also purchased an F-150 pick up for the Maintenance Department.

## **PLANS FOR 2018**

### **CONTINUED SUPPORT**

The Corporation will continue to support the efforts of the Resident Involvement Committee and the residents of Lakeview Terrace, Senior's Complex.

### **25<sup>th</sup> ANNUAL LUNCH**

The 25<sup>th</sup> Annual Pot Luck Lunch for the residents of Lakeview Terrace, Senior's Complex that is normally hosted by the board members and staff of the Corporation is going to continue as a lunch in a Meet and Greet fashion when possible as it was a great success and enjoyed by all.

### **MARKETING PLAN**

The Property Manager continues to market our units aggressively in order to maintain as low a vacancy rate as possible.

Also, the Corporation has a brochure, providing information on all of the units. It is available from the office located at 1 Clinic Court. We have also given copies of this brochure to the Economic Development Corp. and they have agreed to include it in all packages that they send out to interested individuals who request information about Manitowadge. (*Appendix A*)

### **MAINTENANCE**

The maintenance of the units remains a priority to the Board of Directors.

As the buildings and appliances age the cost of maintenance increases accordingly, to date, we have managed to remain within budget and keep our units in good condition.

The Maintenance Department will continue to address any and all work orders on a timely basis and will follow the Preventative Maintenance Program to identify problem areas and to resolve these before they become a major problem. The Building Condition Assessment Report will become an invaluable tool in order to achieve our goals.

## **TENDERS**

The Board tendered the Windows, Doors and Siding for Phase II. That is a total of 6 Duplexes (12 units). It was successfully awarded and we are hoping to see it started and completed by early fall 2018. The Corporation was also awarded funding to replace the Make-Up Air System in the Seniors Complex under the GreenOn Social Housing Program; this will take place later this fall as well.

## **INVESTMENTS**

We continue to invest our Capital Reserve Funds as directed by the Ministry of Municipal Affairs & Housing.

The Social Housing Services Corporation, (SHSC), has been set up by the Province. One of their responsibilities will be to manage the pooling of the Reserve Fund. This became effective in February 2003.

All of the Reserve Funds for social housing from across the Province have been pooled. This should provide housing providers an opportunity to realize a far greater return on their investments. Under this pooling each non-profit will have access to their reserve funds and the interest earned will be added to the principle of each provider.

The investment firm of Phillips, Hager & North has been selected by the SHSC to set up the Investment Program.

## **BOARD COMMITMENT**

As always the Board is committed to monitoring all expenditures for the current year, to make cost efficient decisions and to reduce expenses wherever possible, in all areas.

Also, the Board will continue its commitment to the original mandate, which is “to provide safe, decent, affordable housing for the people of Manitouswadge” and to ensure each and every one of our tenants have security of tenure.

## **FINANCIAL INFORMATION**

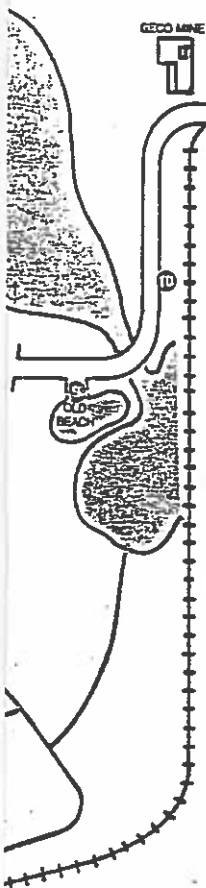
The Audited Financial Statements, for the Corporation, for the fiscal year ended December 31<sup>st</sup>, 2017 and the Auditor's Report are enclosed. (*Appendix B*)

***Appendix A***

**BROCHURE**

Outlining the following:

- a) properties to rent
- b) services included in the rent
- c) tenant responsibilities
- d) a map showing location of units in the township



# Manitowadge

## LEGEND

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>① Clinic/Dentist</li> <li>② Ambulance Base</li> <li>③ Chiropractor</li> <li>④ Pharmacy</li> <li>⑤ Municipal Office</li> <li>⑥ Fire Hall</li> <li>⑦ Bank</li> <li>⑧ Post Office</li> <li>⑨ Ministry of Natural Resources</li> <li>⑩ Northwest Timber</li> <li>⑪ Buchanan Forest Products</li> <li>⑫ Golden Age Club</li> <li>⑬ Legion</li> <li>⑭ Liquor Store</li> <li>⑮ Laundry/Bowling Alley</li> <li>⑯ Gas/Service Station</li> <li>⑰ Lions Beach</li> <li>⑱ Senior Residence</li> <li>⑲ Grocery Stores</li> <li>⑳ Home Hardware</li> <li>㉑ Manwood Building Supplies Ltd.</li> <li>✈ Airport</li> <li>Ⓜ Recreation Centre</li> <li>⛷ Cross-Country Ski Trail</li> <li>⚡ Downhill Skiing</li> <li>Ⓞ Golf Course</li> <li>🏛 Museum, Plaques</li> <li>✳ Retail</li> <li>⚓ Docks</li> <li>🌲 Park</li> <li>🏊 Pool</li> <li>❓ Tourist Information</li> </ul> | <ul style="list-style-type: none"> <li>㉒ Esso Agent</li> <li>㉓ Petro Canada Agent</li> <li>㉔ Superior Paper</li> <li>㉕ Paul Dallaire Welding Ltd.</li> <li>㉖ Truscott's Automotive Repairs</li> <li>㉗ Randy's Auto Body</li> <li>㉘ Gionet's Logging Ltd.</li> <li>㉙ Proposed High School Site (completion 1995-1996)</li> <li>Ⓜ Professional Offices</li> <li>Ⓜ Cemetery</li> <li>⚡ Roller Skating/Teen Drop-In/Skating</li> <li>⚡ Curling</li> <li>⚡ Tennis Courts</li> <li>⚡ Basketball Courts</li> <li>⚡ Soccer/Track Field</li> <li>⚡ Baseball Diamonds</li> <li>⚡ Proposed Baseball Diamond (completion 1994)</li> <li>🏫 Schools</li> <li>🏨 Hotels</li> <li>🍽 Restaurants</li> <li>✝ Churches</li> <li>🏥 Hospitals</li> <li>🚓 Police Station</li> <li>🚙 Snowmobile Trails: <ul style="list-style-type: none"> <li>— Local Trails</li> <li>— Access Points</li> <li>- - - Proposed Trail</li> <li>- - - Proposed Access</li> </ul> </li> </ul> |
|--|--|

***Appendix B***

**FINANCIAL INFORMATION**

**Manitouwadge Municipal Housing Corporation**

- a) Auditor's Report
- b) Financial Statements to December 31<sup>st</sup>, 2017

**Audited by Grant Thornton**



Financial Statements

Manitouwadge Municipal Housing Corporation

December 31, 2017

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# Independent Auditor's Report

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To the Directors of  
Manitouwadge Municipal Housing Corporation

We have audited the accompanying financial statements of Manitouwadge Municipal Housing Corporation which comprise the statement of financial position as at December 31, 2017, and the statements of operations, capital reserve fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The financial statements have been prepared by management to comply with the operating agreement as directed by the Ontario Ministry of Municipal Affairs and Housing and The District of Thunder Bay Social Services Administration Board.

## **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting guidelines and financial statement presentation as directed by The District of Thunder Bay Social Services Administration Board, as described in Note 2 to the financial statements 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.

## **Auditor's responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manitouwadge Municipal Housing Corporation as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the Ontario Ministry of Municipal Affairs and Housing and The District of Thunder Bay Social Services Administration Board.

**Basis of accounting and restriction on use**

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Manitouwadge Municipal Housing Corporation to meet the reporting provisions of the Ontario Ministry of Municipal Affairs and Housing and The District of Thunder Bay Social Services Administration Board. As a result, the financial statements may not be suitable for another purpose.

Thunder Bay, Canada  
May 16, 2018

*Grant Thornton LLP*

Chartered Professional Accountants  
Licensed Public Accountants

# Manitouwadge Municipal Housing Corporation

## Statement of Financial Position

As at December 31

2017

2016

\$

\$

### GENERAL OPERATIONS

#### ASSETS

Cash and cash equivalents	26,212	35,648
Accounts receivable <i>[note 3]</i>	3,603	1,765
Due from The District of Thunder Bay Social Services Administration Board <i>[note 4]</i>	13,177	26,585
Due from capital reserve fund	28,413	-
Prepays	15,248	14,305
Capital assets <i>[note 6]</i>	2,291,054	2,629,664
Harmonized Sales Tax recoverable	14,472	10,347
	2,392,179	2,718,314

### CAPITAL RESERVE FUND

Marketable securities	687,098	659,605
Due from general fund	-	411
	687,098	660,016
	3,079,277	3,378,330

See accompanying notes to the financial statements.

On behalf of the Board:

Director

Director

	2017	2016
	\$	\$
<b>GENERAL OPERATIONS</b>		
<b>LIABILITIES AND FUND BALANCE</b>		
Accounts payable and accrued liabilities <i>[note 5]</i>	11,282	24,168
Accrued interest payable	3,325	5,949
Due to capital reserve fund	-	411
Deferred revenue	-	1,697
Long-term debt <i>[note 7]</i>	2,291,054	2,629,664
	<b>2,305,661</b>	<b>2,661,889</b>
<b>Accumulated surplus</b>	<b>86,517</b>	<b>56,424</b>
Share capital <i>[note 10]</i>	1	1
	<b>2,392,179</b>	<b>2,718,314</b>
<b>CAPITAL RESERVE FUND</b>		
Due to general fund	28,413	-
Capital reserve fund balance	658,685	660,016
	<b>687,098</b>	<b>660,016</b>
	<b>3,079,277</b>	<b>3,378,330</b>

# Manitouwadge Municipal Housing Corporation

## Statement of Operations

Year ended December 31	2017	2017	2016
	\$ Budget <i>[note 14]</i>	\$ Actual	\$ Actual
<b>REVENUE</b>			
Rental			
Market tenants	83,437	84,150	88,782
Rent geared-to-income tenants	107,883	118,197	107,783
The District of Thunder Bay Social Services			
Administration Board			
Rent subsidies	669,987	635,971	635,835
Special subsidy	-	1,697	-
Miscellaneous income	-	72	20
	<b>861,307</b>	<b>840,087</b>	<b>832,420</b>
<b>EXPENSES</b>			
Administration <i>[schedule]</i>	223,180	115,837	116,673
Bad debts (recovery)	-	(3,796)	1,031
Insurance	-	15,015	15,571
Maintenance wages and benefits	-	38,334	42,110
Materials and services <i>[schedule]</i>	-	28,839	20,659
Utilities <i>[schedule]</i>	71,794	58,516	67,865
	<b>294,974</b>	<b>252,745</b>	<b>263,909</b>
Amortization	338,610	338,610	323,913
Mortgage interest	54,666	52,031	74,764
Municipal taxes	97,426	106,220	94,540
	<b>785,676</b>	<b>749,606</b>	<b>757,126</b>
<b>Excess of revenue over expenses before the following</b>	<b>75,631</b>	<b>90,481</b>	<b>75,294</b>
Transfer to capital reserve fund	64,731	64,731	63,537
<b>Excess of revenue over expenses for year</b>	<b>10,900</b>	<b>25,750</b>	<b>11,757</b>
Fund balance, beginning of year	56,424	56,424	40,024
Prior year subsidy adjustments	(10,900)	4,343	4,643
<b>Surplus, end of year</b>	<b>56,424</b>	<b>86,517</b>	<b>56,424</b>

See accompanying notes to the financial statements.

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**Manitouwadge Municipal Housing Corporation**  
**Statement of Capital Reserve Fund**

Year ended December 31	2017	2016
	\$	\$
<b>Fund balance, beginning of year</b>	<b>660,016</b>	<b>676,906</b>
<b>Add</b>		
Provision for year from operations	64,731	63,537
Investment income	13,150	16,463
Fair value adjustment	14,343	8,843
	<b>752,240</b>	<b>765,749</b>
<b>Deduct</b>		
Capital expenditures	93,555	105,733
<b>Fund balance, end of year</b>	<b>658,685</b>	<b>660,016</b>

See accompanying notes to the financial statements.

## Manitouwadge Municipal Housing Corporation

### Statement of Cash Flows

Year ended December 31	2017	2016
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for year	25,750	11,757
Add charges to income not involving a current payment of cash		
Amortization	338,610	323,913
	364,360	335,670
The District of Thunder Bay Social Services Administration Board - prior year subsidy adjustments	4,343	4,643
Net change in non-cash working capital balances related to operations <i>[note 8]</i>	(39,529)	(39,688)
<b>Cash provided by operating activities</b>	<b>329,174</b>	<b>300,625</b>
<b>FINANCING ACTIVITY</b>		
Reduction of long-term debt	(338,610)	(323,913)
<b>Cash used in financing activity</b>	<b>(338,610)</b>	<b>(323,913)</b>
<b>Decrease in cash and cash equivalents during year</b>	<b>(9,436)</b>	<b>(23,288)</b>
Cash and cash equivalents, beginning of year	35,648	58,936
<b>Cash and cash equivalents, end of year</b>	<b>26,212</b>	<b>35,648</b>

See accompanying notes to the financial statements.

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# Manitouwadge Municipal Housing Corporation

## Notes to the Financial Statements

December 31, 2017

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### 1. INCORPORATION, OBJECTS AND PRESENTATION

The Corporation provides 76 market, geared-to-income and neediest rental units in the Township of Manitouwadge. The Corporation is a non-profit organization exempt from income taxes under Section 149(1) of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

[a] These financial statements have been prepared in accordance with the significant accounting policies set out below in accordance with the direction of The District of Thunder Bay Social Services Administration Board ("TBDSSAB"). Their direction specifies that the Corporation is to adopt accounting and reporting guidelines prescribed by the Ontario Ministry of Municipal Affairs and Housing ("MMAH") for non-profit housing providers. The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations because:

- [i] Capital assets (including land):
  - [a] purchased from accumulated surplus are charged to operations in the year the expenditure is incurred;
  - [b] purchased from the capital reserve fund are charged against the capital reserve fund, rather than being capitalized on the statement of financial position and amortized over their estimated useful lives;
  - [c] additions are capitalized up to the original amount of the mortgage debt. The capital assets are subsequently carried at a value equal to the principal outstanding of the unmatured debt related thereto;
- [ii] amortization is not provided on building, appliances and equipment over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the related mortgage;
- [iii] land is amortized on the same basis as other capital assets; and
- [iv] a provision for capital repairs and replacement is transferred annually from the operating fund to the capital reserve fund.

#### [b] Basis of presentation

These financial statements reflect the assets, liabilities, revenue and expenses for the Manitouwadge Municipal Housing Corporation for the year ended December 31, 2017.



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# Manitouwadge Municipal Housing Corporation

## Notes to the Financial Statements

December 31, 2017

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### [c] Basis of accounting

The Corporation receives its operating and capital reserve subsidies via the TBDSSAB.

Excesses of revenue over expenses are generally repayable to the funding body but in certain circumstances may be retained by the recipient to offset future expenditures. The recipient is generally responsible for any operating shortfalls of revenue over expenses.

The ultimate disposition of operating surpluses and deficits is dependent upon subsequent determination by the TBDSSAB. Adjustments to the accounting records are made at the time of final settlement.

### [d] Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revisions. Many items in the preparation of these financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Significant items subject to management estimates include:

<u>Financial statement element</u>	<u>Management estimate</u>
Accounts receivable	Allowance for doubtful accounts
Due from The District of Thunder Bay	
Social Services Administration Board	Year-end settlement

### [e] Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and term deposits. Cash and cash equivalents are recorded at market value which best estimates the net realizable value.

### [f] Marketable securities

Marketable securities include funds invested by the Corporation in pooled funds which are held in trust and managed by an external fund manager.

The pooled funds are recorded at market value.

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# **Manitouwadge Municipal Housing Corporation**

## **Notes to the Financial Statements**

December 31, 2017

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### **[g] Capital reserve fund**

The TBDSSAB requires that the Corporation provide a reserve for future major capital repairs and replacements. Annual provisions are determined in a capital budget process. Funding for the reserve fund is provided by the TBDSSAB based on a review of requirements.

Section 93(2)(f) of the Housing Services Act and Part VI of Ontario Regulations 339/01 requires that prescribed social housing providers invest their capital reserve funds in one of four investment funds managed by Phillips, Hager & North Investment Management Ltd.

### **[h] Interest allocation**

Interest earned is allocated to the fund in which it is earned.

### **[i] Revenue recognition**

Rental revenue is recognized when rent is receivable based on tenant occupancy. Subsidy revenue is received from The District of Thunder Bay Social Services Administration Board. Rent subsidies received and receivable for the year, based on negotiated budgets, have been increased or decreased by the adjustments calculated in the Ministry of Housing Municipal Non-profit Annual Information Return.

### **[j] Financial instruments**

The Corporation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Corporation accounts for the following as financial instruments:

- Cash and cash equivalents
- Accounts receivable
- Due from The District of Thunder Bay Social Services Administration Board
- Marketable securities
- Accounts payable and accrued liabilities
- Accrued interest payable
- Long-term debt

A financial asset or liability is recognized when the Corporation becomes party to contractual provisions of the instrument.

# Manitouwadge Municipal Housing Corporation

## Notes to the Financial Statements

December 31, 2017

### Measurement

Financial assets or liabilities obtained in arm's-length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets and financial liabilities are subsequently measured according to the following methods.

<u>Financial instrument</u>	<u>Subsequent measurement</u>
Cash and cash equivalents	Amortized cost (which approximates fair value)
Accounts receivable	Amortized cost
Due from The District of Thunder Bay Social Services Administration Board	Amortized cost
Marketable securities	Fair value (determined using closing prices)
Accounts payable and accrued liabilities	Amortized cost
Accrued interest payable	Amortized cost
Long-term debt	Amortized cost

### Derecognition

The Corporation removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of operations.

## 3. ACCOUNTS RECEIVABLE

Details of year-end account receivable are as follows:

	2017	2016
	\$	\$
Accounts receivable	4,794	3,472
Allowance for doubtful accounts	(1,191)	(1,707)
	<u>3,603</u>	<u>1,765</u>

# Manitouwadge Municipal Housing Corporation

## Notes to the Financial Statements

December 31, 2017

### 4. DUE FROM (TO) THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

Details of amounts due from (to) The District of Thunder Bay Social Services Administration Board as at December 31 are as follows:

	2017 \$	2016 \$
Rental subsidy	47,193	46,750
Year-end settlement		
2017	(34,016)	-
2016	-	(20,165)
	<b>13,177</b>	<b>26,585</b>

### 5. ACCOUNTS PAYABLE

Details of year-end accounts payable are as follows:

	2017 \$	2016 \$
Accounts payable and accrued liabilities	8,942	21,680
Government remittances	2,340	2,488
	<b>11,282</b>	<b>24,168</b>

### 6. CAPITAL ASSETS

Details of year-end capital asset balances are as follows:

	2017		2016	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Buildings	6,173,896	4,519,017	6,173,896	4,180,407
Equipment	90,587	-	90,587	-
Land	545,588	-	545,588	-
	<b>6,810,071</b>	<b>4,519,017</b>	<b>6,810,071</b>	<b>4,180,407</b>
<b>Capital assets, net</b>	<b>2,291,054</b>		<b>2,629,664</b>	

Capital assets consist of land, buildings and equipment located in Manitouwadge, Ontario.

# Manitouwadge Municipal Housing Corporation

## Notes to the Financial Statements

December 31, 2017

### 7. LONG-TERM DEBT

	2017 \$	2016 \$
<b>Canada Mortgage and Housing Corporation</b>		
Mortgage at 1.3%, repayable \$12,404 monthly including interest, maturing May 1, 2022.	638,605	772,162
Mortgage at 2.49%, repayable \$5,223 monthly including interest, maturing March 1, 2024.	362,605	415,591
Mortgage at 1.43%, repayable \$9,616 monthly including interest, maturing April 1, 2025.	802,986	906,128
<b>Scotiabank</b>		
Mortgage at 2.195%, repayable \$5,013 monthly including interest, maturing January 1, 2027.	486,858	535,783
	<b>2,291,054</b>	<b>2,629,664</b>

Principal payments due within each of the next five years on long-term debt, assuming refinancing at similar terms and conditions, are approximately as follows:

	\$
2018	329,103
2019	343,621
2020	352,084
2021	360,825
2022	369,841
Thereafter	535,580
	<b>2,291,054</b>

The land, buildings and equipment, together with an assignment of the rents, are pledged as collateral for the mortgages.

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# Manitouwadge Municipal Housing Corporation

## Notes to the Financial Statements

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December 31, 2017

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### 8. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2017	2016
	\$	\$
<b>Decrease (increase) in current assets</b>		
Accounts receivable	(1,838)	(534)
Due from The District of Thunder Bay Social Services Administration Board	13,408	5,689
Prepays	(943)	137
Harmonized Sales Tax recoverable	(4,125)	1,204
	<u>6,502</u>	<u>6,496</u>
<b>Increase (decrease) in current liabilities</b>		
Accounts payable and accrued liabilities	(12,886)	(3,175)
Accrued interest payable	(2,624)	(812)
Due to capital reserve fund	(28,824)	(42,197)
Deferred revenue	(1,697)	-
	<u>(46,031)</u>	<u>(46,184)</u>
	<u>(39,529)</u>	<u>(39,688)</u>

### 9. NON-RENTAL RESERVE

Non-rental reserve represents monies received in 1993 and 1994 from the sale of appliances less subsequent expenditure. These funds are discretionary and have been approved by the Ontario Ministry of Municipal Affairs and Housing to be transferred to the Capital Reserve Fund in 2014.

### 10. SHARE CAPITAL

The Corporation was incorporated on August 8, 1986 with an authorized share capital of one common share without par value. The common share was issued to The Corporation of the Township of Manitouwadge.

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# Manitouwadge Municipal Housing Corporation

## Notes to the Financial Statements

December 31, 2017

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### 11. FINANCIAL INSTRUMENTS

[a] Financial instruments

The carrying values of cash and cash equivalents, accounts receivable, due from The District of Thunder Bay Social Services Administration Board, accounts payable and accrued liabilities, accrued interest payable and due to capital reserve fund approximate their fair values due to relative short periods to maturity of the instruments. The carrying value of the long-term debt may differ from its fair value due to the terms of repayment and interest rates charged.

[b] Market risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its investments held in one type of fund and quoted in an active market.

[c] Credit risk

Credit risk is the risk that a third party will fail to discharge its obligation to the Corporation, reducing the expected cash inflow from the Corporation's assets recorded at the statement of financial position date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. The Corporation provides for an allowance for doubtful accounts to absorb credit losses. The Corporation has assessed that there are no significant concentrations of credit risk with respect of any class of financial assets.

### 12. ADEQUACY OF CAPITAL RESERVE FUND

The Corporation is required to establish a reserve fund for financing future major repairs and replacements.

A Study conducted for TBDSSAB in 2003 evaluated the adequacy of the capital reserve fund. Based on the reserve fund balances as at December 31, 2003 and expected contribution rates and estimated rates of return on the invested funds, the reserve funds were expected to be adequate over the ensuing 30-year period.

In 2014, a new Study was presented to the TBDSSAB, reflecting the balance in capital reserves as at December 31, 2013 a continuation of annual capital reserve provisions at 2013 levels. The new Study indicates a further deficiency of the capital reserve funds over a 30-year period.

The reserve is evaluated on the basis of expected repair and replacement costs and life expectancy of the building projects. Such evaluation is based on numerous assumptions and future events.

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# **Manitouwadge Municipal Housing Corporation**

## **Notes to the Financial Statements**

December 31, 2017

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### **13. ECONOMIC DEPENDENCE**

The Corporation receives a substantial portion of its financing from The District of Thunder Bay Social Services Administration Board. Continuity of its operations is therefore dependent on the continued financial support of The District of Thunder Bay Social Services Administration Board.

### **14. BUDGET**

Budget figures are compiled from the 2017 fiscal year budget approved by the Board and are not subject to audit.

### **15. CONTINGENCY**

The Corporation has been served with a Statement of Claim relating to a personal injury claim from a tenant to which the likelihood of any loss is not determinable and the amount, if any, is not reasonably estimable. This lawsuit is being defended by SOHO Insurance Inc., the Corporation's insurance company.



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**Manitouwadge Municipal Housing Corporation**  
**Schedule - Expenses**

Year ended December 31	2017	2016
	\$	\$
<b>Administration</b>		
Audit fees	9,057	10,074
Materials and services	7,819	13,151
Salaries and benefits	90,614	83,484
Transportation and communication	8,347	9,964
	<b>115,837</b>	<b>116,673</b>
<b>Materials and services</b>		
Building - general	8,495	2,673
Electrical systems	387	434
Elevators	4,644	4,614
Equipment	193	307
Grounds	4,917	5,834
Heating and plumbing	3,267	1,916
Painting	4,787	2,388
Security	171	532
Waste removal	100	150
Other	1,878	1,811
	<b>28,839</b>	<b>20,659</b>
<b>Utilities</b>		
Electricity	49,447	59,178
Water	9,069	8,687
	<b>58,516</b>	<b>67,865</b>

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