

Financial Statements

Emanuel Housing Co-operative Inc.

Kitchener, Ontario

September 30, 2023

Contents

Independent Auditors' Report.....	3 - 5
Statement of Financial Position.....	6 - 7
Statement of Replacement Reserve.....	8
Statement of Security of Tenure Reserve.....	8
Statement of Accumulated Deficit.....	8
Statement of Operations.....	9
Schedule of Expenses.....	10
Statement of Cash Flows.....	11
Notes to Financial Statements.....	12 - 20

Independent Auditors' Report

**To the Members of Emanuel Housing Co-operative Inc. and
to The Agency for Co-operative Housing on behalf of CMHC:**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Emanuel Housing Co-operative Inc., which comprise the statement of financial position as at September 30, 2023 and the statements of replacement reserve, security of tenure reserve, accumulated deficit, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Emanuel Housing Co-operative Inc. as at September 30, 2023, and the results of its operations and cash flows for the year then ended in accordance with the financial reporting requirements of Canada Mortgage and Housing Corporation (CMHC).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Emanuel Housing Co-operative Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that Emanuel Housing Co-operative Inc. incurred a deficit of \$88,062 during the year ended September 30, 2023 and, as of that date, Emanuel Housing Co-operative Inc.'s liabilities exceeded its total assets by \$3,185,393. As stated in Note 1, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on Emanuel Housing Co-operative Inc.'s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

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 Emanuel Housing Co-operative Inc. to meet the financial reporting requirements of CMHC. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of Emanuel Housing Co-operative Inc. and The Agency for Co-operative Housing on behalf of CMHC and should not be distributed to parties other than the members of Emanuel Housing Co-operative Inc. and The Agency for Co-operative Housing on behalf of CMHC. Our opinion is not modified in respect of this matter.

Independent Auditors' Report - continued

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting requirements of CMHC, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Emanuel Housing Co-operative Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Emanuel Housing Co-operative Inc.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Emanuel Housing Co-operative Inc.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report - continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Emanuel Housing Co-operative Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario
January 23, 2024

A handwritten signature in black ink, reading "Preston Yates & Clark". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Licensed Public Accountants

Emanuel Housing Co-operative Inc.*September 30, 2023*

Statement of Financial Position	2023	2022
Current Assets		
Cash, Note 4	\$ 1,244,101	\$ 607,556
Cash in trust	80,000	80,000
Accounts receivable		
Members (net of allowance 2023 \$50,643, 2022 \$23,855)	13,924	2,969
HST	23,153	30,075
Federal assistance	3,572	3,409
Deposits	600	600
Prepaid expenses	3,154	2,837
Prepaid mortgage fees	0	18,100
Total Current	1,368,504	745,546
Capital Assets, Note 5	1,433,354	1,713,801

2,801,858	2,459,347
-----------	-----------

Approved by The BoardDirector: Liz JungDirector: Jamie Farrell

Emanuel Housing Co-operative Inc.

September 30, 2023

Statement of Financial Position	2023	2022
Current Liabilities		
Accounts payable and accrued liabilities	\$ 31,410	\$ 32,644
Capital accounts payable	4,104	18,572
Preservation funding, Note 14	0	11,429
Due to CMHC	10,366	25,257
Subsidy overpayments	3,538	3,538
Accrued interest - first mortgage (old)	0	2,022
Accrued interest - second mortgage	0	5,263
Accrued interest - third mortgage	0	5,087
Accrued interest - first mortgage (new)	19,759	0
Prepaid housing charges	17,864	16,822
Members' deposits	25,616	25,326
Total Current	112,657	145,960
Long-Term Debt , Note 6		
ILM - first mortgage (old)	0	298,072
CMHC workout loan - second mortgage	0	2,350,217
Stabilization Fund loan - third mortgage	0	2,111,050
Peoples Trust loan - first mortgage (new)	5,218,807	0
	5,218,807	4,759,339
Deferred Contributions Related to Capital Assets , Note 7	655,787	766,715
Total Liabilities	5,987,251	5,672,014
Contingent Liability , Note 8		
Deficiency in Assets		
<i>Restricted</i>		
Replacement reserve, per statement, Note 10	705,591	592,780
Security of tenure reserve, per statement, Note 10	11,910	9,440
<i>Unrestricted</i>		
Contributed surplus	6,496	6,441
Accumulated deficit, per statement	(3,909,390)	(3,821,328)
	(3,185,393)	(3,212,667)
	2,801,858	2,459,347

The notes on pages 12 through 20 form an integral part of these financial statements.

Emanuel Housing Co-operative Inc.*Year ended September 30, 2023*

Statement of Replacement Reserve	2023	2022
Balance beginning	\$ 592,780	\$ 679,142
Add (deduct)		
Appropriated from operations	142,500	135,000
Preservation funding, Note 14	11,429	31,304
Investment income, Note 4	7,423	1,783
CMHC Reno/Retro 2016 project reconciliation	0	1,654
Expenditures, Note 12	(48,541)	(256,103)
<i>Balance September 30</i>	705,591	592,780

Statement of Security of Tenure Reserve		
Balance beginning	9,440	7,082
Add		
Appropriated from operations	2,470	2,358
<i>Balance September 30</i>	11,910	9,440

Statement of Accumulated Deficit		
Balance beginning	(3,821,328)	(3,795,885)
Add		
Deficit	(88,062)	(25,443)
<i>Balance September 30</i>	(3,909,390)	(3,821,328)

Emanuel Housing Co-operative Inc.

Year ended September 30, 2023

Statement of Operations	2023		2022
	Note 11		
	Budget	Actual	Actual
Revenues			
Housing charges	\$ 520,599	\$ 520,599	\$ 518,865
CMHC income tested subsidies	301,617	301,617	283,095
Federal assistance	42,862	42,862	40,911
Vacancy loss	(2,494)	(3,324)	(1,226)
Parking	4,800	3,450	0
Investment income	0	3,157	0
Amortization of retrofit grant	0	110,928	110,928
Administration fees	1,512	1,805	1,548
Other	250	50	206
Total Revenues	869,146	981,144	954,327
Expenses			
Materials and services, schedule 1	79,605	88,009	66,374
Utilities, schedule 2	71,665	67,380	62,969
Administrative overhead, schedule 3	81,206	79,128	79,858
Bad debts	(1,500)	33,219	5,792
Insurance	28,860	30,291	26,649
Mortgage interest - first mortgage (old)	305,032	9,880	32,881
Mortgage interest - second mortgage	84,553	50,316	64,293
Mortgage interest - third mortgage	0	43,548	61,229
Mortgage interest - first mortgage (new)	0	148,392	0
Amortization - original capital assets	0	130,820	257,704
Amortization - CMHC reno retrofit assets	0	110,928	110,928
Amortization - workout loan funded assets	0	42,804	0
Amortization of mortgage fees	0	5,576	0
Municipal taxes	62,960	65,723	62,315
Hot water tank rental	16,330	16,897	15,973
Replacement reserve	142,500	142,500	135,000
Security of tenure	2,470	2,470	2,358
Total Expenses	873,681	1,067,881	984,323
Shelter Deficit Before Other	(4,535)	(86,737)	(29,996)
Other			
Prior year's subsidy adjustment	0	(5,836)	24
Sector support revenue	4,535	4,511	4,529
Deficit	0	(88,062)	(25,443)

Emanuel Housing Co-operative Inc.*Year ended September 30, 2023*

Schedule of Expenses	2023		2022
	Note 11 Budget	Actual	Actual
Schedule 1 - Materials and Services			
Contracted maintenance, Note 13	\$ 22,850	\$ 23,393	\$ 22,239
Building and equipment	18,800	19,131	13,069
Heating and plumbing	15,200	15,627	8,575
Grounds	13,000	16,840	14,044
Painting	1,300	2,018	1,163
Electrical systems	3,955	3,678	3,092
Waste removal	2,000	3,307	2,292
Fire and safety	2,500	4,015	1,900
	79,605	88,009	66,374
Schedule 2 - Utilities			
Electricity on vacant units and common area	1,485	1,264	1,127
Fuel on vacant units	1,120	1,018	897
Water and sewage	69,060	65,098	60,945
	71,665	67,380	62,969
Schedule 3 - Administrative Overhead			
Management fees, Note 13	53,213	53,212	52,055
Legal	2,500	1,475	3,150
Audit	9,830	9,830	9,300
Materials and services	10,478	9,444	10,278
Membership dues	5,185	5,167	5,075
	81,206	79,128	79,858

Emanuel Housing Co-operative Inc.

Year ended September 30, 2023

Statement of Cash Flows	2023	2022
Operating Activities		
Deficit	\$ (88,062)	\$ (25,443)
Non-cash items		
Amortization of retrofit grants	(110,928)	(110,928)
Amortization	284,552	368,632
Amortization of mortgage fees	5,576	0
Interest accrued on third mortgage	43,548	61,229
Appropriation to replacement and security of tenure reserves	144,970	137,358
	279,656	430,848
Net change in non-cash working capital	6,180	(75,908)
Cash Provided By Operating Activities	285,836	354,940
Investing Activities		
Reserve expenditures	(67,113)	(263,583)
CMHC Reno/Retro 2016 project reconciliation	0	1,654
Investment income earned in reserve	7,423	1,783
Cash Used In Investing Activities	(59,690)	(260,146)
Financing Activities		
Principal portion of first mortgage (old) payments	(298,072)	(257,704)
Second mortgage payments	(2,350,217)	(18,693)
Third mortgage payments	(2,154,598)	0
First mortgage (new) payments	(42,804)	0
Increase in contributed surplus	55	60
New mortgage proceeds	5,361,100	0
Mortgage fees	(105,065)	0
Change in cash in trust	0	24,398
Preservation funding	0	42,733
Cash Provided By (Used In) Financing Activities	410,399	(209,206)
Net cash increase (decrease) during the year	636,545	(114,412)
Cash position beginning of year	607,556	721,968
Cash Position End of Year	1,244,101	607,556

Notes to Financial Statements

Status and Nature of Activities

Emanuel Housing Co-operative Inc. (the Co-operative) was incorporated under the Co-operative Corporations Act as a corporation without share capital to provide subsidized housing. The Co-operative became fully operational on its mortgage interest adjustment date of December 31, 1987. A Board of Directors is elected from the Co-operative membership which is made up of residents.

The Co-operative claims an exemption from income tax under section 149(1)(l) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Co-operative's income is available for the personal benefit of any member.

The Co-operative receives funding from the Canada Mortgage and Housing Corporation (CMHC) under the Section 95-Index Linked Mortgage (ILM) program of the National Housing Act and provides subsidized housing to its members and their families. The Co-operative is dependent on this funding for its continued operation.

Note 1 Going Concern Assumption

These financial statements have been prepared in accordance with accounting principles that apply to a going concern. This assumes that the Co-operative will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

The Co-operative incurred a deficit \$88,062 and has an accumulated deficit of \$3,909,390. The Co-operative also has cash flow problems and might run into difficulty repaying its second and third mortgages when they mature. The Co-operative's liabilities exceed its assets by \$3,185,393. The Co-operative does not have sufficient cash and investments on hand to fund their reserves. These issues raise significant doubt as to whether the Co-operative will be able to continue as a going concern.

The Co-operative recognizes the issue and is focused on obtaining agreements, renegotiating the terms on its existing debt and obtaining additional funding that would help alleviate its cash flow problems. The Co-operative's ability to continue as a going concern depends on its capacity to alleviate its cash flow problem that the large deficit has created.

Note 2 Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the financial reporting framework prescribed by CMHC. This framework requires the financial statements to be prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations subject to the following significant exceptions:

- (a) amortization of capital assets includes amortization of land and is equal to the principal portion on the mortgage rather than on the useful lives of the related assets except for the original net capital assets, which effective March 1, 2023, will be amortized on a straight-line basis until March 31, 2028;
- (b) capital expenditures may be charged to the replacement reserve rather than capitalized and amortized over their estimated useful lives;
- (c) replacement and security of tenure reserves are appropriated from operations;
- (d) investment income earned on the replacement reserve funds is credited directly to the reserve rather than to operations;
- (e) long-term debt is not segregated between current and long-term on the statement of financial position.

Revenue Recognition

Housing charges are recognized when due at the beginning of each month. Government subsidies are recognized using the deferral method of accounting for contributions.

Investment income includes interest from cash.

Sector support revenue is collected with housing charges and is recognized when due at the beginning of each month.

Mortgage Renegotiation Fees

Renegotiation fees incurred on the renewal of the mortgage are recorded at cost and have been netted against the value of the outstanding debt. These costs are amortized on a straight-line basis over the first term of the renewed debt obligation.

Note 2 Significant Accounting Policies - continued

Capital Assets - Funded by Reno/Retro 2016 Existing Social Housing Initiative Project

The expenditures funded by Reno/Retro 2016 Existing Social Housing Initiative project are recorded at cost. Amortization is provided at rates calculated to amortize assets over their estimated useful lives on a straight-line basis as follows:

Interior renovations	10 years
Furnaces	15 years
Exterior renovations	20 years

Reno/Retro 2016 Existing Social Housing Initiative project funds received are treated as deferred contributions and are amortized on the same basis as the capital expenditures are amortized.

Financial Instruments

(a) Measurement of Financial Instruments

The Co-operative initially measures its financial assets and financial liabilities at fair value.

The Co-operative subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, amounts due to members and long-term debt.

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Use of Estimates

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

Note 3

Financial Instruments

Risk Management Policy

The Co-operative is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at September 30, 2023:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Co-operative is also subject to concentrations of credit risk through its accounts receivable. Housing charges are due on the first day of the month. Members receivable represent housing charges that are at least one month past due. The credit risk associated with receivables from current members is offset somewhat by the Co-operative holding deposits for each member.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements to fund obligations as they become due. The Co-operative is exposed to this risk mainly in respect of its long-term debt and current liabilities. The Co-operative is exposed to significant liquidity risk as liabilities exceed its assets by \$3,185,393.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

Interest Rate Risk

The Co-operative does not have any interest bearing investments.

Emanuel Housing Co-operative Inc.

September 30, 2023

Note 4 Cash and Reserve Funds

	2023	2022
Cash		
Petty cash	\$ 300	\$ 300
Operating current account	1,243,801	607,256
	<u>1,244,101</u>	<u>607,556</u>
Investment income includes:		
Interest	10,580	1,783
Allocated as follows:		
Replacement reserve	7,423	1,783
Operations	3,157	0
	<u>10,580</u>	<u>1,783</u>

At September 30, 2023, the reserves were underfunded by \$717,501 (2022 - \$602,220).

Note 5 Capital Assets

	2023	2022
At cost		
Land and buildings	\$ 4,515,560	\$ 4,515,560
Accumulated amortization	(4,391,912)	(4,261,093)
	<u>123,648</u>	<u>254,467</u>
Capital assets under the CMHC workout loan project	692,619	692,619
Accumulated amortization	(42,804)	0
	<u>649,815</u>	<u>692,619</u>
Net Reno/Retro 2016 capital assets, per below	655,787	766,715
Remedial repairs work, in progress	4,104	0
	<u>1,433,354</u>	<u>1,713,801</u>

Expenditures capitalized under the Reno/Retro 2016 Existing Social Housing Initiative project consist of the following:

			2023	2022
	Cost	Accumulated Amortization	Net Assets	Net Assets
Interior renovations	\$ 883,791	\$ (471,355)	\$ 412,436	\$ 500,815
Furnaces	262,114	(93,195)	168,919	186,393
Exterior renovations	101,499	(27,067)	74,432	79,507
	<u>1,247,404</u>	<u>(591,617)</u>	<u>655,787</u>	<u>766,715</u>

Emanuel Housing Co-operative Inc.*September 30, 2023***Note 6 Long-Term Debt**

On February 16, 2023, the previous mortgages with Concentra Financial and CMHC were repaid. The mortgage was refinanced with a new mortgage loan with People's Trust Company. Details of the mortgage at September 30 are:

Principal balance	- \$5,361,100
Interest rate	- 4.500%
Term	- 10 years, 3 months ending June 1, 2033
Amortization Period	- 30 years ending March 1, 2053
Monthly principal and interest payments	- \$27,032

The status of the mortgage is as follows:

	2023
Advances received	\$ 5,361,100
Principal repaid	(42,804)
Unamortized mortgage fees	(99,489)
	<u>5,218,807</u>

Principal payments due in the next five years are approximately as follows:

2024	\$ 89,092
2025	93,147
2026	97,385
2027	101,817
2028	106,450

Note 7 Deferred Contributions Related to Capital Assets

CMHC provided the Co-operative with a grant for the purpose of renovation and retrofit of the Co-operative under the Reno/Retro 2016 Existing Social Housing Initiative.

Deferred contributions remaining at year-end:

	2023	2022
Deferred contributions, opening balance	\$ 766,715	\$ 877,643
Amortization of deferred contributions	(110,928)	(110,928)
Deferred contributions, ending balance	<u>655,787</u>	<u>766,715</u>

Note 8 Contingent Liability - Renovation and Retrofit of Social Housing Contribution

CMHC made a \$1,326,720 contribution to the Co-operative under the Reno/Retro 2016 Existing Social Housing Initiative project. Should the Co-operative fail to maintain its not-for-profit status and fail to provide housing benefits to low and moderate-income households through to May 31, 2028, the amount of the contribution becomes due and payable at the sole option of CMHC. A collateral mortgage has been placed on the assets of the Co-operative in the amount of the funding.

Note 9 Transactions With Members

Over 80% of the Co-operative's revenue has been derived from or on behalf of members of the Co-operative.

Note 10 Restrictions on Net Assets

The replacement reserve is externally restricted by CMHC. These funds can only be used for capital expenditures approved by CMHC.

The security of tenure reserve is externally restricted by CMHC. Under the terms of the operating agreement with CMHC, these funds may only be used to assist income-tested members who are not in receipt of assistance under a rent supplement program.

Note 11 Budget Figures

The unaudited budget figures are those approved by the Co-operative's membership. These figures are provided solely for comparative purposes.

Emanuel Housing Co-operative Inc.*September 30, 2023***Note 12 Reserve Expenditures**

Expenditures charged to the replacement reserve are as follows:

	2023	2022
Flooring	\$ 16,704	\$ 15,681
Building condition assessment and capital reserve fund study - Preservation funding	14,781	0
Appliances	7,069	3,650
Windows and doors	4,129	8,508
Unit restorations	3,283	1,671
Mould remediation	1,590	0
Foundation	985	0
Parking lot	0	184,527
Remedial repair plan - Preservation funding	0	15,390
Refinancing assessment - Preservation funding	0	11,040
Patios	0	6,598
Roofing	0	3,160
Environmental safety assessment - Preservation funding	0	2,975
Fire safety	0	1,621
Plumbing	0	1,282
	<u>48,541</u>	<u>256,103</u>

Note 13 Contractual Obligations

The Co-operative entered into an agreement with Homestarts Incorporated to provide personnel to perform administrative, community development and maintenance functions necessary to the Co-operative's operation and the attainment of its objectives.

The remaining terms of the contract are as follows:

Term	October 1, 2023 to September 30, 2024
Fee	\$6,455 plus HST per month
Term	October 1, 2024 to September 30, 2025
Fee	\$6,725 plus HST per month
Term	October 1, 2025 to September 30, 2026
Fee	\$6,950 plus HST per month
Term	October 1, 2026 to September 30, 2027
Fee	\$7,195 plus HST per month

Note 13 Contractual Obligations - continued

The Co-operative entered into an agreement with CMS Building Consultants & Engineers for \$45,608 plus HST for the engineering and project management services for proposed remedial repairs work including the roofing replacement project. \$4,000 plus HST has been reflected in these financial statements.

Note 14 CMHC Preservation Funding

The Co-operative was approved for Preservation funding from CMHC for \$50,000. Funds can only be spent on projects approved by CMHC, including paving condition assessment, remedial repair plan and HVAC assessment. As of year-end, the total amount of funding has been incurred and received.

The Co-operative was approved for additional Preservation funding from CMHC of \$26,000 for the purpose of financing a building condition assessment, age-friendly conversion assessment, and refinancing assessment. As of year-end, the total amount of funding has been incurred and received.

Note 15 Subsequent Events

Subsequent to year-end, the Co-operative entered into an agreement with CMHC under the Federal Community Housing Initiative Phase II (FCHI-2) to receive rent supplement funding of \$22,989 monthly, beginning October 1, 2023 and ending March 31, 2028.

Subsequent to year-end, the Co-operative accepted a bid of \$426,800 plus HST from Winford Contracting Inc. for the purpose of roofing replacements. No amounts related to this project are recorded in these financial statements.