



Financial Statements of the
Greater Sudbury Housing Corporation

AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the balance sheet of **Greater Sudbury Housing Corporation** as at December 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements have been prepared to comply with the accounting principles as specified by the Municipal Service Manager, the City of Greater Sudbury. 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, 2009 and the results of its operations for the year then ended in accordance with the basis of accounting described in note 1 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 of the Greater Sudbury Housing Corporation and the City of Greater Sudbury to comply with accounting principles as specified by the City of Greater Sudbury. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the corporation taken as a whole. The supplementary information included in the Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Collins Brown, Sudbury-Nipissing LLP

Chartered Accountants, Licensed Public Accountants
Sudbury, Ontario
February 26, 2010

GREATER SUDBURY HOUSING CORPORATION

Balance Sheet

December 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current Assets		
Cash	\$ 1,074,139	\$ 1,740,968
Tenant accounts receivable	125,744	106,751
Prepaid expenses	216,026	177,043
Other accounts receivable	374,718	696,794
Due to Municipal Service Manager (note 3)	735,357	68,171
	<u>\$ 2,525,984</u>	<u>\$ 2,789,727</u>
Liabilities, Share Capital and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,532,067	\$ 1,618,816
Accrued payroll and employee benefits expenses	100,138	88,749
Prepaid rents	147,046	155,219
	<u>1,779,251</u>	<u>1,862,784</u>
Share Capital		
Authorized:		
Unlimited number of common shares		
Issued:		
100 common shares	1	1
Net Assets		
Restricted:		
Operating reserve	32,855	202,553
Capital reserve	388,543	368,526
Rent supplement reserve	325,334	355,863
	<u>746,732</u>	<u>926,942</u>
	<u>\$ 2,525,984</u>	<u>\$ 2,789,727</u>

Commitments (note 5)

See accompanying notes to financial statements.

On behalf of the board:

_____ Director

_____ Director

GREATER SADBURY HOUSING CORPORATION

Statement of Operations

Year Ended December 31, 2009, with comparative figures for 2008

	2009 Budget (Unaudited)	2009 Actual	2008 Actual
Revenues:			
Rental	\$ 7,340,000	\$ 7,097,997	\$ 7,668,482
City of Greater Sudbury			
- Local Housing Subsidy	9,796,677	9,757,097	10,043,006
- Rent supplement administration fee	78,200	78,200	78,200
- Strong Communities Grant	16,800	493,697	471,808
- SHRRP Subsidy		2,704,239	-
Non-rental	75,000	264,398	398,216
Interest	50,000	8,016	57,185
Non-profit management fees	40,000	43,164	68,164
	17,396,677	20,446,808	18,785,061
Expenditures:			
Utilities	3,755,000	3,608,581	3,526,979
Rent supplement program	2,484,609	2,994,868	2,897,464
Salaries and benefits	3,180,150	3,120,094	2,941,342
Property maintenance and operations	2,457,231	2,642,261	3,319,960
Capital	2,310,000	4,995,308	2,577,572
Municipal taxes	2,489,687	2,450,106	2,371,131
Administration	410,000	444,372	429,199
Bad debts	150,000	229,851	171,298
Transportation and communication	160,000	146,844	148,173
Net transfer to (from) reserves	-	(185,477)	385,114
	17,396,677	20,446,808	18,768,232
Excess of revenues over expenditures before the undernoted	-	-	16,829
Subsidy refundable	-	-	(16,829)
Change in fund balance	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

GREATER SUDBURY HOUSING CORPORATION

Statement of Changes in Net Assets

Year Ended December 31, 2009, with comparative figures for 2008

	Restricted			2009 Total	2008 Total
	Operating Reserve	Capital Reserve	Rent Supplement Reserve		
Net assets, beginning of year	\$ 202,553	\$ 368,526	\$ 355,863	\$ 926,942	\$ 527,604
Interest earned	1,638	1,086	2,543	5,267	14,224
Contribution to operations	(171,336)	-	(33,072)	(204,408)	-
Contribution from operations	-	18,931	-	18,931	385,114
Net assets, end of year	\$ 32,855	\$ 388,543	\$ 325,334	\$ 746,732	\$ 926,942

See accompanying notes to financial statements.

GREATER SUDBURY HOUSING CORPORATION

Statement of Cash Flows

Year Ended December 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in)		
Operations:		
Excess of revenues over expenditures	\$ -	\$ -
Change in non-cash operating working capital:		
Increase in tenant accounts receivable	(18,993)	(25,931)
Increase in prepaid expenses	(38,983)	(10,845)
Decrease (increase) in other accounts receivable	322,076	(476,987)
Increase (decrease) in accounts payable and accrued liabilities	(86,749)	89,963
Increase (decrease) in accrued payroll and employee benefits expenses	11,389	(58,126)
Decrease in prepaid rents	(8,173)	(1,543)
Increase in due from Municipal Service Manager	(667,186)	(68,171)
	(486,619)	(551,640)
Investments:		
Increase (decrease) in reserves	(180,210)	399,338
Decrease in Cash Position	(666,829)	(152,302)
Cash Position, beginning of Year	1,740,968	1,893,270
Cash Position, end of Year	\$ 1,074,139	\$ 1,740,968

See accompanying notes to financial statements.

GREATER SUDBURY HOUSING CORPORATION

Notes to the Financial Statements

Year Ended December 31, 2009

Greater Sudbury Housing Corporation (The "Corporation") was incorporated under the Ontario Business Corporations Act on December 14, 2000. Its principal activity is the provision of socially-assisted housing.

The Corporation is a non-profit organization under the Income Tax Act and is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant Accounting Policies:

(a) Basis of Presentation:

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the policies as determined by its Municipal Service Manager, the City of Greater Sudbury. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles because:

- (i) The Corporation has obligations for certain employee benefits which will require funding in future years and which are not accrued in the accounts (see note 5 (a)).
- (ii) Capital assets purchased and betterments which extend the estimated life of an asset are charged to operations in the year the expenditure is incurred rather than being capitalized on the balance sheet and amortized over their estimated useful lives (see schedule of Tangible Capital Assets).
- (iii) Inventory of parts and supplies are charged to operations in the year the expenditure is incurred.
- (iv) Reserves for future capital and rent supplement expenditures are appropriated from operations.

(b) Revenues and Expenses Recognition:

Revenues and expenses are accounted for on the accrual basis which recognizes transactions as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal liability to pay.

(c) Subsidy refundable:

The operating subsidy is recognized based on the approved fiscal allocation by the Municipal Service Manager. Subsidies may be recovered by the Municipal Service Manager based on an annual reconciliation performed subsequent to year-end. The recoveries are reported in the year of recovery.

Revenue Recognition

Housing charges and the federal and provincial subsidies for the Income Tested Assistance program are recognized as revenue during the month of occupancy by members.

(d) Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation allowances for tenant accounts receivable and other accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

GREATER SUDBURY HOUSING CORPORATION

Notes to the Financial Statements

Year Ended December 31, 2009

2. Tangible Capital Assets

Pursuant to a Transfer Order made under the Social Housing Reform Act, all assets, liabilities, rights and obligations with respect to the provincially-operated local housing authority were transferred from Ontario Housing Corporation to the Greater Sudbury Housing Corporation, effective January 1, 2001. The transfer included all social housing units, including land and buildings but did not include the associated debentures.

The land and buildings transferred to the Greater Sudbury Housing Corporation are as follows:

Street Address	Other Name	Units
Cabot/Burton/Hearne	Cabot Park	88
3553 Montpellier, Chelmsford	The Rosemont	41
1950 Lasalle Boulevard	Place Hurtubise	106
744 Bruce Street	Ryan Heights	150
1960 "B" Paris Street	401 Rumball Terrace	204
1960 "A" Paris Street	201 Rumball Terrace	101
1052 Belfry Street	Eddie Lapierre Building	101
1920 Paris Street	The Towers	101
27 Hanna Street, Capreol	Dennie Court	20
Catherine and Maplewood Streets, Garson		3
720 Bruce Avenue	The Balmoral	251
Charette Street, Chelmsford		8
O'Neil Drive, Garson		6
241 Second Avenue North	Birkdale Village	70
1778 LaSalle Boulevard	Keewatin Court	30
1200 Attlee Avenue	McCormack Court	76
159 Louis Street	Fournier Gardens	127
Charlotte and Gaudette Streets, Chelmsford		20
166 Louis Street		50
1528 Kennedy Street		20
155 Lapointe Street, Hanmer	Place Royale	27
35 Spruce Street, Garson	Spruce Villa	24
240 "B" Street, Lively		26
242 Colonial Court	Colonial Court	12
St. Onge Street, Chelmsford		6
1655 and 1676 Havenbrook Drive		12
715 Burton Avenue		20
491 Camelot Drive	Carmichael Village	42
Scattered Units		63
Scattered Units		43
		1,848

GREATER SUDBURY HOUSING CORPORATION

Notes to the Financial Statements

Year Ended December 31, 2009

3. Due to Municipal Service Manager :

	2009	2008
The balance consists of:		
Surplus repayable		
- Operations	\$ -	\$ (16,829)
Receivable from Service Manager		
- Capital program	735,357	85,000
	<u>\$ 735,357</u>	<u>\$ 68,171</u>

4. Budget Figures:

The budget figures included in the statement of operations are for comparative purposes only. These figures are unaudited.

5. Commitments:

- (a) The Corporation provides certain employee benefits which will require funding in future years and which are not accrued. The total unaccrued vacation and severance pay at December 31, 2009 totals \$270,721 (2008 - \$280,458).

Upon dissolution of the provincially-operated local housing authority to the New Greater Sudbury Housing Corporation, provincial funding was received by the City of Greater Sudbury as Municipal Service Manager, to assist with funding the contingent liability for future costs with respect to former provincial employees' statutory entitlements accrued to the date of transfer.

- (b) The Corporation has entered into various contracts for services with monthly costs totalling \$26,704 to \$69,126 (2008 - \$25,519 to \$67,791).

GREATER SUDBURY HOUSING CORPORATION

Schedule of Tangible Capital Assets

Year Ended December 31, 2009

	Operating		Capital		Rent Supplement Program		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:								
Rental	\$ 7,340,000	\$ 7,097,997	\$ -	\$ -	\$ -	\$ -	\$ 7,340,000	\$ 7,097,997
City of Greater Sudbury								
- Local Housing Subsidy	5,002,068	4,962,488	2,310,000	2,310,000	2,484,609	2,484,609	9,796,677	9,757,097
- Rent supplement administration fee	78,200	78,200	-	-	-	-	78,200	78,200
- Strong Communities Grant	16,800	16,510	-	-	477,187	477,187	16,800	493,697
- SHRRP Subsidy	-	-	-	2,704,239	-	-	-	2,704,239
Non-rental	75,000	264,398	-	-	-	-	75,000	264,398
Interest	50,000	8,016	-	-	-	-	50,000	8,016
Non-profit management fees	40,000	43,164	-	-	-	-	40,000	43,164
	12,602,068	12,470,773	2,310,000	5,014,239	2,484,609	2,961,796	17,396,677	20,446,808
Expenditures:								
Utilities	3,755,000	3,608,581	-	-	-	-	3,755,000	3,608,581
Rent supplement program	-	-	-	-	2,484,609	2,994,868	2,484,609	2,994,868
Salaries and benefits	3,180,150	3,120,094	-	-	-	-	3,180,150	3,120,094
Property maintenance and operations	2,457,231	2,642,261	-	-	-	-	2,457,231	2,642,261
Capital - Regular	-	-	2,310,000	2,291,069	-	-	2,310,000	2,291,069
- SHRRP	-	-	-	2,704,239	-	-	-	2,704,239
Municipal taxes	2,489,687	2,450,106	-	-	-	-	2,489,687	2,450,106
Administration	410,000	444,372	-	-	-	-	410,000	444,372
Bad debts	150,000	229,851	-	-	-	-	150,000	229,851
Transportation and communication	160,000	146,844	-	-	-	-	160,000	146,844
Transfer to (from) reserves	-	(171,336)	-	18,931	-	(33,072)	-	(185,477)
	12,602,068	12,470,773	2,310,000	5,014,239	2,484,609	2,961,796	17,396,677	20,446,808
Excess of revenues over expenditures before the undemoted	-	-	-	-	-	-	-	-
Subsidy refundable	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GREATER SUDBURY HOUSING CORPORATION

Schedule of Tangible Capital Assets

Year Ended December 31, 2009

	Cost			Accumulated Amortization			Net Book Value of Tangible Assets	
	Balance beginning of year	Additions and betterments	Balance end of year	Balance beginning of year	Amortization	Balance end of year	2009	2008
High Rise Residential Units								
Land	\$ 2,180,550	-	\$ 2,180,550	-	-	-	\$ 2,180,550	\$ 2,180,550
Site improvements	2,943,743	-	2,943,743	1,569,996	196,250	1,766,246	1,177,497	1,373,747
Buildings	18,688,994	-	18,688,994	5,227,630	700,130	5,927,760	12,761,234	13,461,364
	23,813,287	-	23,813,287	6,797,626	896,380	7,694,006	16,119,281	17,015,661
Multi Residential Units								
Land	2,853,550	-	2,853,550	-	-	-	2,853,550	2,853,550
Buildings	33,681,587	2,005,111	35,686,698	12,060,715	1,734,208	13,794,923	21,891,775	21,620,872
	36,535,137	2,005,111	38,540,248	12,060,715	1,734,208	13,794,923	24,745,325	24,474,422
Single Family Residential Houses								
Land	4,155,000	-	4,155,000	-	-	-	4,155,000	4,155,000
Buildings	10,760,152	1,192,259	11,952,411	4,071,196	567,815	4,639,011	7,313,400	6,688,956
	14,915,152	1,192,259	16,107,411	4,071,196	567,815	4,639,011	11,468,400	10,843,956
Equipment and Vehicles								
Furniture and equipment	709,116	-	709,116	273,549	70,912	344,461	364,655	435,567
Vehicles	271,561	-	271,561	81,368	27,156	108,524	163,037	190,193
	980,677	-	980,677	354,917	98,068	452,985	527,692	625,760
	\$ 76,244,253	\$ 3,197,370	\$ 79,441,623	\$ 23,284,454	\$ 3,296,471	\$ 26,580,925	\$ 52,860,698	\$ 52,959,799
Summary								
Land	9,189,100	-	9,189,100	-	-	-	9,189,100	9,189,100
Site improvements	2,943,743	-	2,943,743	1,569,996	196,250	1,766,246	1,177,497	1,373,747
Buildings	63,130,733	3,197,370	66,328,103	21,359,541	3,002,153	24,361,694	41,966,409	41,771,192
Furniture and equipment	709,116	-	709,116	273,549	70,912	344,461	364,655	435,567
Vehicles	271,561	-	271,561	81,368	27,156	108,524	163,037	190,193
	\$ 76,244,253	\$ 3,197,370	\$ 79,441,623	\$ 23,284,454	\$ 3,296,471	\$ 26,580,925	\$ 52,860,698	\$ 52,959,799

GREATER SUDBURY HOUSING CORPORATION

Schedule of Tangible Capital Assets (Continued)

Year Ended December 31, 2009

Capital assets presented in this schedule (see note 1(a) (ii)) are stated at cost less accumulated amortization and are amortized over their estimated useful live on a straight-line basis at the following rates:

High Rise Residential Unit Buildings

Amortization is based on the estimated useful life of the individual components on a straight-line basis at the following rates:

Interior, exterior and roof	20 years
Structure	50 years
Electrical	30 years
Mechanical	25 years
Multi Residential Units	20 years
Single Family Residential Homes	20 years
Equipment and Vehicles	20 years