

## SECTION 8

Financial Statements of

# **GREATER SUDBURY HOUSING CORPORATION**

Year ended December 31, 2002

# **GREATER SUDBURY HOUSING CORPORATION**

Financial Statements Index

Year ended December 31, 2002

	Page
Auditors' Report	
Balance Sheet	1
Statement of Revenue, Expenditure and Surplus	2
Notes to Financial Statements	3 - 5

## AUDITORS' REPORT

To the Board of Directors

We have audited the balance sheet of the **Greater Sudbury Housing Corporation** as at December 31, 2002 and the statement of revenue, expenditure and surplus for the year then ended. 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.

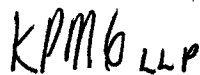
In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2002 and the results of its operations for the year then ended in accordance with accounting principles as disclosed in note 1 to the financial statements.



**COLLINS BARROW-MAHEU NOISEUX LLP**  
Chartered Accountants



**FREELANDT CALDWELL REILLY LLP**  
Chartered Accountants



**KPMG LLP**  
Chartered Accountants

Sudbury, Canada  
March 5, 2003

# GREATER SUDBURY HOUSING CORPORATION

## Balance Sheet

December 31, 2002, with comparative figures for 2001

	2002	2001
<b>Assets</b>		
Current assets:		
Cash	\$ 634,705	\$ 273,261
Tenant receivables	65,835	53,581
Other receivable	152,744	377,023
Inventory of supplies	268,185	272,958
Prepaid expenses	49,689	45,201
	<hr/>	<hr/>
	\$ 1,171,158	\$ 1,022,024
	<hr/>	<hr/>
<b>Liabilities, Share Capital and Surplus</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 903,195	\$ 726,942
Accrued payroll and employee benefits	128,972	96,171
Prepaid rents	95,806	85,103
Due to Municipal Service Manager	43,184	—
	<hr/>	<hr/>
	1,171,157	908,216
Share capital:		
Authorized:		
Unlimited common shares		
Issued:		
100 common shares	1	1
Surplus	—	113,807
Commitments (note 6)		
	<hr/>	<hr/>
	\$ 1,171,158	\$ 1,022,024
	<hr/>	<hr/>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# GREATER SUDBURY HOUSING CORPORATION

## Statement of Revenue, Expenditure and Surplus

Year ended December 31, 2002, with comparative figures for 2001

	2002 Budget	2002 Actual	2001 Actual
<b>Revenue:</b>			
Rental charges	\$ 6,196,700	\$ 6,260,904	\$ 6,233,961
City of Greater Sudbury - local housing subsidy	7,719,712	7,719,712	8,208,204
Ministry of Municipal Affairs and Housing	-	388,205	370,284
Non-rental revenue	40,600	61,702	65,996
Interest income	-	20,617	39,705
	<u>13,957,012</u>	<u>14,451,140</u>	<u>14,918,150</u>
<b>Expenditure:</b>			
Capital costs	2,249,500	2,243,326	2,570,420
Rent supplement program costs	2,484,609	2,637,052	2,719,330
Municipal taxes	2,228,000	2,268,804	2,227,764
Utilities	2,800,000	3,003,141	3,101,920
Salaries and benefits	2,073,000	1,989,168	1,984,803
Property maintenance and operations	1,530,200	1,694,913	1,192,754
Administration costs	393,703	399,813	360,615
Transportation and communication	68,000	106,503	94,090
Bad debts	120,000	140,176	187,380
Community Development programs	10,000	3,260	5,475
Administration recovery	-	(78,200)	(78,200)
Sick leave payout	-	-	437,992
	<u>13,957,012</u>	<u>14,407,956</u>	<u>14,804,343</u>
<b>Excess of revenue over expenditure before undernoted item</b>	-	43,184	113,807
<b>Less:</b>			
Prior year recovery	-	113,807	-
Current year payable	-	43,184	-
	-	<u>156,991</u>	-
<b>Excess of revenue over expenditure</b>	-	(113,807)	113,807
Surplus, beginning of year	-	113,807	-
<b>Surplus, end of year</b>	\$ -	\$ -	\$ 113,807

See accompanying notes to financial statements.

# GREATER SUDBURY HOUSING CORPORATION

## Notes to Financial Statements

Year ended December 31, 2002

---

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

These financial statements present the financial position and results of operation of the Greater Sudbury Housing Corporation, which is a non-profit organization under the Income Tax Act and exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 1. Significant accounting policies:

#### (a) Basis of accounting:

These financial statements are prepared using guidelines provided by the Ontario Ministry of Municipal Affairs & Housing, which are appropriate to the circumstances and operations of the Corporation. Revenue and expenditures are reported using the accrual method of accounting.

Greater Sudbury Housing Corporation is funded primarily by the City of Greater Sudbury as Municipal Service Manager (MSM), in accordance with budget arrangements established by Ministry of Municipal Affairs and Housing and the City of Greater Sudbury. These financial statements reflect agreed arrangements approved by the City of Greater Sudbury and the Ministry of Municipal Affairs and Housing with respect to the year ended December 31, 2002.

#### (b) Municipal subsidy revenue:

The operating subsidy is recognized based on the approved fiscal allocation by the MSM. Subsidies may be recovered by the MSM based on an annual reconciliation performed subsequent to year end. These recoveries are reported as an adjustment to revenue on the statement of revenue, expenditure and surplus in the year of recovery.

#### (c) Use of estimates:

The preparation of financial statements in conformity with Canadian 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 date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### (d) Inventory:

Inventory is valued at cost.

# GREATER SUDBURY HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2002

## 2. Incorporation and commencement of operations:

Bill 128 (the Social Housing Reform Act, 2000) provided for the formation of local housing corporations to be organized under the provisions of the Ontario Business Corporations Act with a municipal service manager as the sole shareholder. The Greater Sudbury Housing Corporation was incorporated under the Ontario Business Corporations Act on December 14, 2000. The Corporation was deemed upon incorporation to have issued 100 common shares in its capital stock to its service manager, the City of Greater Sudbury.

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 the 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 this 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 & 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 Financial Statements

Year ended December 31, 2002

---

### 3. Municipal subsidy payable:

At year end, municipal subsidies are adjusted to reflect the difference between actual subsidies paid and estimates as approved in the budget.

The MSM approves the final subsidy after the financial statements and annual reporting requirements have been submitted for the year.

Revenues, municipal subsidy receivable/payable and accumulated surplus (deficit) may change depending upon final review and approval by the MSM. Any year end adjustment resulting from this review will be reflected in the year of MSM approval.

### 4. Budget figures:

The budget figures included in the statement of revenue, expenditure and surplus are included for comparative purposes only. These figures are unaudited.

### 5. Comparative figures:

Certain of the 2001 comparative figures have been restated to conform with the 2002 presentation.

### 6. Commitments:

- (a) The Greater Sudbury Housing Corporation provides certain employee benefits which will require funding in future years. In accordance with the basis of accounting adopted by the Corporation, these amounts are not accrued in the accounts. The total vacation and severance pay at December 31, 2002 totals \$202,777 (2001 - \$186,189).

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 MSM, 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 \$39,525.