



Financial Statements of the
Greater Sudbury Housing Corporation

Independent Auditor's Report to the Board of Directors

We have audited the the accompanying financial statements of **Greater Sudbury Housing Corporation**, which comprise the balance sheet as at December 31, 2010, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 1 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 corporation'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, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements.

Emphasis of Matter

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 Schedules are presented for purposes of additional analysis and are 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 Barrow, Sudbury-Nipissing LLP

Sudbury, Ontario
March 22, 2011

CHARTERED ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

GREATER SUDBURY HOUSING CORPORATION

Balance Sheet

December 31, 2010, with comparative figures for 2009

	2010	2009
Assets		
Current Assets		
Cash	\$ 2,090,873	\$ 1,074,139
Tenant accounts receivable	85,550	125,744
Prepaid expenses	267,817	216,026
Other accounts receivable	322,702	374,718
Due from Municipal Service Manager (note 3)	41,711	735,357
	<u>\$ 2,808,653</u>	<u>\$ 2,525,984</u>
Liabilities, Share Capital and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,620,054	\$ 1,532,067
Accrued payroll and employee benefits expenses	64,715	100,138
Prepaid rents	158,345	147,046
	<u>1,843,114</u>	<u>1,779,251</u>
Share Capital		
Authorized:		
Unlimited number of common shares		
Issued:		
100 common shares	1	1
Net Assets		
Restricted:		
Operating reserve	160,203	32,855
Capital reserve	569,416	388,543
Rent supplement reserve	235,919	325,334
	<u>965,538</u>	<u>746,732</u>
	<u>\$ 2,808,653</u>	<u>\$ 2,525,984</u>

Commitments (note 5)

See accompanying notes to financial statements.

On behalf of the board:

_____ Director

_____ Director

GREATER SUDBURY HOUSING CORPORATION

Statement of Operations

Year Ended December 31, 2010, with comparative figures for 2009

	2010 Budget	2010 Actual	2009 Actual
	(Unaudited)		
Revenues:			
Rental	\$ 7,220,000	\$ 6,793,071	\$ 7,097,997
City of Greater Sudbury			
- Local Housing Subsidy	9,951,649	10,052,056	9,757,097
- Rent supplement administration fee	78,200	78,200	78,200
- Strong Communities Grant	16,800	431,310	493,697
- SHRRP Subsidy	-	1,651,061	2,704,239
- Severance Funding	-	270,721	-
Non-rental	100,000	260,179	264,398
Interest	10,000	11,212	8,016
Non-profit management fees	50,000	50,440	43,164
	17,426,649	19,598,250	20,446,808
Expenditures:			
Utilities	3,755,000	3,363,925	3,608,581
Rent supplement program	2,484,609	3,086,954	2,994,868
Salaries and benefits	3,249,150	3,078,980	3,120,094
Property maintenance and operations	2,438,512	2,466,155	2,642,261
Capital	2,310,000	3,783,153	4,995,308
Municipal taxes	2,564,378	2,504,749	2,450,106
Administration	400,000	525,651	437,337
Bad debts	75,000	206,059	229,851
Transportation and communication	150,000	159,637	153,879
Severance Pay-out	-	211,446	-
Net transfer to (from) reserves	-	211,541	(185,477)
	17,426,649	19,598,250	20,446,808
Excess of revenues over expenditures before the undernoted	-	-	-
Subsidy refundable	-	-	-
Change in fund balance	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

GREATER SUDBURY HOUSING CORPORATION

Statement of Changes in Net Assets

Year Ended December 31, 2010, with comparative figures for 2009

		Restricted			
	Operating Reserve	Capital Reserve	Rent Supplement Reserve	2010 Total	2009 Total
Net assets, beginning of year	\$ 32,855	\$ 388,543	\$ 325,334	\$ 746,732	\$ 926,942
Interest earned	1,705	2,965	2,595	7,265	5,267
Contribution to operations	-	-	(92,010)	(92,010)	(204,408)
Contribution from operations	125,643	177,908	-	303,551	18,931
Net assets, end of year	\$ 160,203 *	\$ 569,416	\$ 235,919	\$ 965,538	\$ 746,732

* Included in the Operating Reserve as at December 31, 2010 is an amount of \$59,275 which is to be used future commitments related to employee severance benefits.

See accompanying notes to financial statements.

GREATER SUDBURY HOUSING CORPORATION

Statement of Cash Flows

Year Ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in)		
Operations:		
Excess of revenues over expenditures	\$ -	\$ -
Change in non-cash operating working capital:		
Decrease (increase) in tenant accounts receivable	40,194	(18,993)
Increase in prepaid expenses	(51,791)	(38,983)
Decrease in other accounts receivable	52,016	322,076
Decrease (increase) in due from Municipal Service Manager	693,646	(667,186)
Increase (decrease) in accounts payable and accrued liabilities	87,987	(86,749)
Increase (decrease) in accrued payroll and employee benefits expenses	(35,423)	11,389
Increase (decrease) in prepaid rents	11,299	(8,173)
	797,928	(486,619)
Investments:		
Increase (decrease) in reserves	218,806	(180,210)
Increase (Decrease) in Cash Position	1,016,734	(666,829)
Cash Position, beginning of Year	1,074,139	1,740,968
Cash Position, end of Year	\$ 2,090,873	\$ 1,074,139

See accompanying notes to financial statements.

GREATER SUDBURY HOUSING CORPORATION

Notes to the Financial Statements

Year Ended December 31, 2010

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.

(d) 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.

(e) Use of Estimates:

The preparation of the financial statements in conformity with the accounting principles followed 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, 2010

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, 2010

3. Due from Municipal Service Manager:

	2010	2009
The balance consists of:		
Receivable from Service Manager		
- Capital program	\$ 41,711	\$ 735,357
	\$ 41,711	\$ 735,357

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, 2010 totals \$95,608 (2009 - \$270,721).
- (b) The Corporation has entered into various contracts for services with monthly costs totalling \$28,107 to \$58,635 (2009 - \$26,704 to \$69,126).

GREATER SUDBURY HOUSING CORPORATION

Schedule of Operations

Year Ended December 31, 2010

	Operating		Capital		Rent Supplement Program		Budget	Total Actual
	Budget	Actual	Budget	Actual	Budget	Actual		
Revenues:								
Rental	\$ 7,220,000	\$ 6,793,071	\$ -	\$ -	\$ -	\$ -	\$ 7,220,000	\$ 6,793,071
City of Greater Sudbury								
- Local Housing Subsidy	5,157,040	5,162,016	2,310,000	2,310,000	2,484,609	2,580,040	9,951,649	10,052,056
- Rent supplement administration fee	78,200	78,200	-	-	-	-	78,200	78,200
- Strong Communities Grant	16,800	16,406	-	-	-	414,904	16,800	431,310
- SHRRP Subsidy	-	-	-	1,651,061	-	-	-	1,651,061
- Severance Funding	-	270,721	-	-	-	-	-	270,721
Non-rental	100,000	260,179	-	-	-	-	100,000	260,179
Interest	10,000	11,212	-	-	-	-	10,000	11,212
Non-profit management fees	50,000	50,440	-	-	-	-	50,000	50,440
	12,632,040	12,642,245	2,310,000	3,961,061	2,484,609	2,994,944	17,426,649	19,598,250
Expenditures:								
Utilities	3,755,000	3,363,925	-	-	-	-	3,755,000	3,363,925
Rent supplement program	-	-	-	-	2,484,609	3,086,954	2,484,609	3,086,954
Salaries and benefits	3,249,150	3,078,980	-	-	-	-	3,249,150	3,078,980
Property maintenance and operations	2,438,512	2,466,155	-	-	-	-	2,438,512	2,466,155
Capital - Regular	-	-	2,310,000	2,132,092	-	-	2,310,000	2,132,092
- SHRRP	-	-	-	1,651,061	-	-	-	1,651,061
Municipal taxes	2,564,378	2,504,749	-	-	-	-	2,564,378	2,504,749
Administration	400,000	525,651	-	-	-	-	400,000	525,651
Bad debts	75,000	206,059	-	-	-	-	75,000	206,059
Transportation and communication	150,000	159,637	-	-	-	-	150,000	159,637
Severance Pay-out	-	211,446	-	-	-	-	-	211,446
Transfer to (from) reserves	-	125,643	-	177,908	-	(92,010)	-	211,541
	12,632,040	12,642,245	2,310,000	3,961,061	2,484,609	2,994,944	17,426,649	19,598,250
Excess of revenues over expenditures before the undernoted	-	-	-	-	-	-	-	-
Subsidy refundable	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GREATER SUDBURY HOUSING CORPORATION

Schedule of Tangible Capital Assets

Year Ended December 31, 2010

	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	2010	2009
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	1,766,246	196,250	1,962,496	981,247	1,177,497
Buildings	18,688,994	437,732	19,126,726	5,927,760	709,458	6,637,218	12,489,508	12,761,234
	23,813,287	437,732	24,251,019	7,694,006	905,708	8,599,714	15,651,305	16,119,281
Multi Residential Units								
Land	2,853,550	-	2,853,550	-	-	-	2,853,550	2,853,550
Buildings	35,686,698	750,289	36,436,987	13,794,923	1,803,092	15,598,015	20,838,972	21,891,775
	38,540,248	750,289	39,290,537	13,794,923	1,803,092	15,598,015	23,692,522	24,745,325
Single Family Residential Houses								
Land	4,155,000	-	4,155,000	-	-	-	4,155,000	4,155,000
Buildings	11,952,411	1,281,063	13,233,474	4,639,011	629,647	5,268,658	7,964,816	7,313,400
	16,107,411	1,281,063	17,388,474	4,639,011	629,647	5,268,658	12,119,816	11,468,400
Equipment and Vehicles								
Furniture and equipment	709,116	-	709,116	344,461	70,912	415,373	293,743	364,655
Vehicles	271,561	58,351	329,912	108,524	38,827	147,351	182,561	163,037
	980,677	58,351	1,039,028	452,985	109,739	562,724	476,304	527,692
	\$ 79,441,623	\$ 2,527,435	\$ 81,969,058	\$ 26,580,925	\$ 3,448,186	\$ 30,029,111	\$ 51,939,947	\$ 52,860,698
Summary								
Land	9,189,100	-	9,189,100	-	-	-	9,189,100	9,189,100
Site improvements	2,943,743	-	2,943,743	1,766,246	196,250	1,962,496	981,247	1,177,497
Buildings	66,328,103	2,469,084	68,797,187	24,361,694	3,142,197	27,503,891	41,293,296	41,966,409
Furniture and equipment	709,116	-	709,116	344,461	70,912	415,373	293,743	364,655
Vehicles	271,561	58,351	329,912	108,524	38,827	147,351	182,561	163,037
	\$ 79,441,623	\$ 2,527,435	\$ 81,969,058	\$ 26,580,925	\$ 3,448,186	\$ 30,029,111	\$ 51,939,947	\$ 52,860,698

GREATER SUDBURY HOUSING CORPORATION

Schedule of Tangible Capital Assets (Continued)

Year Ended December 31, 2010

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