



AGENDA

ANNUAL GENERAL MEETING

TO BE HELD ON TUESDAY, MAY 5, 2020 AT 3:00 P.M.

IN ROOM C11, TOM DAVIES SQUARE, 200 BRADY STREET, SUDBURY, ON

#	Item
1.0	CALL TO ORDER
2.0	DECLARATIONS OF PECUNIARY INTEREST
3.0	WELCOME AND INTRODUCTIONS – Barb Dubois
4.0	APPROVAL OF MINUTES OF THE ANNUAL GENERAL MEETING OF MAY 7, 2019
5.0	PRESENTATION AND ADOPTION OF 2019 AUDITED FINANCIAL STATEMENTS - KPMG
6.0	APPOINTMENT OF AUDITORS
7.0	2019 ANNUAL REPORT
8.0	TO TRANSACT SUCH FURTHER OR OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING
9.0	ADJOURNMENT

Note: Staff members are present at the convenience of the Chair and Shareholder to assist with the proceedings and respond to any questions from the Shareholder.



MINUTES

ANNUAL GENERAL MEETING

HELD AT 3:00 PM ON TUESDAY, MAY 7, 2019

IN ROOM C-11, TOM DAVIES SQUARE, 200 BRADY STREET, SUDBURY ON

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**IN ATTENDANCE:**

**CITY OF GREATER SUDBURY COUNCILLORS / GSHC SHAREHOLDER**

Mr. Brian Bigger	- Mayor
Mr. Geoff McCausland	- Councillor
Mr. Rene Lapierre	- Councillor
Mr. Al Sizer	- Councillor
Ms. Deb McIntosh	- Councillor
Mr. Fern Cormier	- Councillor
Mr. Bill Leduc	- Councillor
Ms. J. Landry-Altmann	- Councillor

**ATTENDING IN A GSHC STAFF CAPACITY:**

Ms. Barb Dubois	- Director of Housing Operations
Ms. Nicole Piquette	- Manager of Finance
Mr. Richard Munn	- Manager of Capital Planning and Asset Management
Mr. Dan Saumur	- Manager of Maintenance Services
Ms. Kim Plante	- Manager of Tenant Services
Ms. Kim MacKinnon	- Administrative Assistant (Recording Secretary)

**AUDITOR:**

Mr. Derek D'Angelo	- KPMG
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**1.0 CALL TO ORDER**

Mayor Bigger called the meeting to order.

**2.0 DECLARATION OF PECUNIARY INTEREST**

There was no declaration of pecuniary interest stated at this time.

**3.0 WELCOME AND INTRODUCTIONS – Barb Dubois, Director of Housing Operations**

Barb Dubois introduced the Housing Operations Senior Management team.

**4.0 APPOINTMENT OF CHAIR AND VICE CHAIR**

**Motion #AGM – 2019 – 01**

Moved by Councillor McCausland and seconded by Councillor Sizer:

BE IT RESOLVED that the Councillors of the City of Greater Sudbury, as the Board of Directors for the Greater Sudbury Housing Corporation appoints Councillor F. Cormier as Chair and Councillor J. Landry-Altmann as Vice-Chair of the Greater Sudbury Housing Corporation for the Term of Council, ending November 30, 2022.

**CARRIED**

**5.0 APPROVAL OF MINUTES OF THE ANNUAL SHAREHOLDER'S MEETING  
May 28, 2018**

**Motion #AGM – 2019 – 02**

Moved by Councillor McCausland and seconded by Councillor Sizer:

“BE IT RESOLVED THAT the Minutes of the Annual General Meeting of the Greater Sudbury Housing Corporation held on May 29, 2018 be adopted as circulated.”

**CARRIED**

**6.0 PRESENTATION AND ADOPTION OF THE 2018 AUDITED FINANCIAL  
STATEMENTS - KPMG**

Mr. Derek D'Angelo of KPMG introduced himself and presented the audited financial statements for the year ending December 31, 2018.

A short question and answer period was held after the presentation.

**Motion #AGM – 2018– 03**

Moved by Councillor Sizer and seconded by Councillor McCausland:

“BE IT RESOLVED THAT the Greater Sudbury Housing Corporation Audited Financial Statements for 2018 be accepted as presented.”

**CARRIED**

## **7.0 APPOINTMENT OF AUDITORS**

### **Motion #AGM – 2018 – 04**

Moved by Councillor Sizer and seconded by Councillor McCausland:

WHEREAS the City of Greater Sudbury Shareholder's Declaration requires that the Greater Sudbury Housing Corporation's Auditor be appointed by the Shareholder; BE IT RESOLVED THAT the Greater Sudbury Housing Corporation's Auditor for 2019 be as duly appointed."

**CARRIED**

## **8.0 2018 ANNUAL REPORT**

Barb reviewed the annual report highlighting the challenges of the past year and thanked Housing Operations staff for delivering on projects.

## **9.0 2019 BUDGET**

The subsidy given to the Greater Sudbury Housing Corporation was already included in City's Housing Services budget. Beginning in 2020, GSHC budget will be included in the city's binder.

A brief presentation was made of the GSHC 2019 budget.

### **Motion #AGM – 2018 – 05**

Moved by Councillor McCausland and seconded by Councillor Sizer:

"BE IT RESOLVED THAT the Greater Sudbury Housing Corporation's operating and capital budgets be accepted as presented."

**CARRIED**

## **10.0 TO TRANSACT SUCH FURTHER OR OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING**

## **11.0 ADJOURNMENT**

### **Motion #AGM – 2018 – 06**

Moved by Councillor Sizer and seconded by Councillor McCausland:

"BE IT RESOLVED THAT there be no further business to bring before the Shareholder, the Annual General Meeting of the Greater Sudbury Housing Corporation is adjourned."

**CARRIED**

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Chair

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Vice Chair

**Greater Sudbury Housing Corporation**  
**10 Elm Street, 4th Floor, Suite 401, Sudbury, ON P3E 4P6**

Financial Statements of

**GREATER SUDBURY  
HOUSING CORPORATION**

And Independent Auditors' Report thereon

Year ended December 31, 2019



KPMG LLP  
Claridge Executive Centre  
144 Pine Street  
Sudbury Ontario P3C 1X3  
Canada  
Telephone (705) 675-8500  
Fax (705) 675-7586

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Greater Sudbury Housing Corporation

### **Opinion**

We have audited the financial statements of Greater Sudbury Housing Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, its change in net financial assets and its cash flows year then ended in accordance with the basis of accounting in note 1 to the financial statements.

### **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 auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

### **Basis of Presentation and Restriction on Use**

These financial statements have not been, and were not intended to be, prepared in accordance with Canadian public sector accounting standards and are solely for the information and use of the Board of Directors of the Greater Sudbury Housing Corporation and the City of Greater Sudbury to comply with accounting policies as specified by the Greater Sudbury Housing Corporation's Municipal Service Manager. These financial statements are not intended to be, and should not be, used by anyone other than the specified users or for any other purpose.



## ***Auditor's 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 the 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 the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 the Entity'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 Entity's 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
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 5, 2020

# GREATER SUDBURY HOUSING CORPORATION

## Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial Assets</b>		
Cash	\$ 2,046,163	\$ 1,627,785
Restricted cash (note 2)	1,450,066	1,089,328
Tenant accounts receivable	90,837	93,281
Other accounts receivable	358,627	550,140
Advances to City of Greater Sudbury (note 3)	-	780,356
	3,945,693	4,140,890
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	1,494,766	1,975,970
Accrued payroll and employee benefits	38,020	223,342
Advances from City of Greater Sudbury (note 3)	106,813	-
Tenant prepaid rents	332,660	234,043
	1,972,259	2,433,355
Net financial assets	1,973,434	1,707,535
Non-financial assets:		
Prepaid expenses	325,281	296,190
Share capital:		
Authorized:		
Unlimited common shares		
Issued:		
100 common shares	1	1
Commitments (note 6)		
Subsequent event and contingencies (note 11)		
Accumulated surplus (note 5)	\$ 2,298,716	\$ 2,003,726

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Board Member

\_\_\_\_\_ Board Member



# GREATER SADBURY HOUSING CORPORATION

## Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	Budget	Total	Total
	2019	2019	2018
Revenue:			
Rental	\$ 7,025,344	\$ 7,826,371	\$ 7,287,625
Maintenance recoveries	155,500	256,144	228,521
Sundry	224,716	619,010	446,869
Interest	24,600	89,626	71,579
Management services	9,445	9,445	133,967
City of Greater Sudbury:			
Local housing subsidy	11,098,646	11,098,644	10,627,203
Regular Rent Supplement Program			
administration fee	78,200	78,200	78,200
Strong Communities Rent Supplement Program	10,452	477,550	440,772
Special Capital Projects	-	1,075,784	2,318,998
	18,626,903	21,530,774	21,633,734
Expenses:			
Capital	2,831,478	4,108,856	5,193,142
Salaries and benefits	4,358,740	4,197,599	4,132,137
Utilities (note 7)	3,765,435	3,664,846	3,689,151
Rent Supplement Program	3,347,952	3,612,577	3,564,610
Property maintenance and operations (note 8)	2,985,100	3,990,823	3,146,694
Administration (note 8)	601,220	572,734	584,078
Bad debts	246,000	478,840	383,561
Tenant services	248,818	285,188	272,232
Transportation and communication	242,160	233,670	224,029
	18,626,903	21,145,133	21,189,634
Excess of revenue over expenses	\$ -	\$ 385,641	\$ 444,100

See accompanying notes to financial statements.

# GREATER SUDBURY HOUSING CORPORATION

## Statement of Changes in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Excess of revenue over expenses	\$ 385,641	\$ 444,100
Change in prepaid expenses	(29,091)	(34,319)
Return surplus to City of Greater Sudbury	(90,651)	(940,220)
Change in net financial assets	265,899	(530,439)
Net financial assets, beginning of year	1,707,535	2,237,974
Net financial assets, end of year	\$ 1,973,434	\$ 1,707,535

See accompanying notes to financial statements.

# GREATER SUDBURY HOUSING CORPORATION

## Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by:		
Operating activities:		
Excess of revenue over expenses	\$ 385,641	\$ 444,100
Changes in non-cash working capital items:		
Decrease in tenant accounts receivable	2,444	1,383
Decrease (increase) in other accounts receivable	191,513	(148,786)
Decrease in advances to City of Greater Sudbury	780,356	526,117
Increase (decrease) in accounts payable and accrued liabilities	(481,204)	575,271
Increase (decrease) in accrued payroll and employee benefits	(185,322)	12,718
Increase in advances from City of Greater Sudbury	106,813	-
Increase in tenant prepaid rents	98,617	46,235
Increase in prepaid expenses	(29,091)	(34,319)
Net change in operating activities	869,767	1,422,719
Financing activities:		
Return surplus to City of Greater Sudbury	(90,651)	(940,220)
Net change in investing activities	(90,651)	(940,220)
Increase in cash during the year	779,116	482,499
Cash, beginning of year	2,717,113	2,234,614
Cash, end of year	\$ 3,496,229	\$ 2,717,113
Cash is represented by:		
Restricted cash	\$ 1,450,066	\$ 1,089,328
Cash	2,046,163	1,627,785
	\$ 3,496,229	\$ 2,717,113
Supplementary information:		
Interest received	\$ 89,626	\$ 71,579

See accompanying notes to financial statements.

# GREATER SUDBURY HOUSING CORPORATION

## Notes to Financial Statements

Year ended December 31, 2019

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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 social housing for the City of Greater Sudbury.

The Corporation is a municipal corporation pursuant to paragraph 149(1)(d.5) of the Income Tax Act (Canada) and is, therefore, exempt from income taxes, having met certain requirements of the Income Tax Act (Canada).

### 1. Summary of significant accounting policies:

#### (a) Basis of accounting:

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

- i) capital assets purchased and betterments which extend the estimated life of an asset, are expensed in the statement of operations in the year the expenditure is incurred rather than being capitalized on the statement of financial position and amortized over their estimated useful lives (see schedule 2). Tangible capital asset additions are capitalized in the schedule of tangible capital assets only if they exceed a \$50,000 threshold; and
- ii) inventory of parts and supplies are expensed in the statement of operations in the year the expenditure is incurred.

#### (b) Cash and restricted cash:

Cash and restricted cash include cash on hand and demand deposits that are readily convertible into known amounts of cash and subject to insignificant risk of change in value.

#### (c) Prepaid expenses:

Prepaid expenses are charged to expenses over the periods expected to benefit from them.

# GREATER SUDBURY HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2019

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## 1. Summary of significant accounting policies (continued):

### (d) Capital assets:

Capital assets are stated at cost, less accumulated amortization, and are amortized based on the estimated useful life of each individual component on a straight-line basis over the following periods:

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High-rise residential units:	
Interior, exterior and roof	20 years
Structure	50 years
Electrical	30 years
Mechanical	25 years
Site improvements	15 years
Multi-residential units	20 years
Single-family residential houses	20 years
Equipment and vehicles	10 years

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### (e) Accumulated surplus:

Certain amounts, as approved by the Board of Directors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

The accumulated surplus consists of the following:

- Operating reserve:

This reserve is not restricted and may be utilized for the operating activities of the Corporation as approved by the Service Manager.

- Capital reserve:

This reserve is restricted and can only be used for capital projects that have been approved by the Board of Directors and as approved by the Service Manager.

- Rent supplement reserve:

This reserve is restricted and can only be used for expenses related to the Rent Supplement Program as approved by the Service Manager.

### (f) Subsidy refundable:

The local housing subsidy is recognized based on the approved fiscal allocation by the City of Greater Sudbury. Subsidies may be recovered by the City of Greater Sudbury based on an annual reconciliation performed subsequent to year-end. The recoveries are reported in the year of recovery as an adjustment to local housing subsidy revenue.

# GREATER SUDBURY HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2019

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## 1. Summary of significant accounting policies (continued):

### (g) Revenue recognition:

Revenues are recognized in the year in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Local housing subsidy revenue from the City of Greater Sudbury is recognized in the period in which the events giving rise to the government transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government; and the amount can reasonably be estimated. Funding received under a funding arrangement, which relates to a subsequent fiscal period and the unexpended portions of contributions received for specific purposes, is reflected as deferred revenue in the year of receipt and is recognized as revenue in the period in which all the recognition criteria have been met.

Rental revenue is recognized as revenue during the month of occupancy by members.

Management services revenue is recognized when the service has been performed and collectability is reasonably assured.

### (h) Expenses:

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

### (i) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors.

### (j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Items requiring the use of significant estimates include the valuation allowances for tenant accounts receivable and other accounts receivable.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from those estimates.

# GREATER SUDBURY HOUSING CORPORATION

## Notes to Financial Statements

Year ended December 31, 2019

### 2. Restricted cash:

Under the terms of the service manager agreement, the Corporation is required to restrict cash for specific purposes as follows:

	2019	2018
Operating reserve	\$ 730,887	491,203
Rent supplement reserve	306,624	297,695
Capital reserve	412,555	300,430
	\$ 1,450,066	1,089,328

### 3. Advances to and from City of Greater Sudbury:

The advances are comprised of the following:

	2019	2018
Social Housing Apartment Improvement program	\$ 382,195	821,958
Deferred operating and rent supplement subsidy	(358,996)	—
Homelessness overpayment	—	(182)
Director of operations salary	—	(41,420)
Cost recoveries	(130,012)	—
Total advances to (from) City of Greater Sudbury	\$ (106,813)	780,356

# GREATER SUDBURY HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2019

## 4. 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 Corporation, effective January 1, 2001. The transfer included all social housing units including land and buildings, but did not include the associated debentures.

Street Address	Other Name	Units
Cabot/Burton/Hearne	Cabot Park	88
3553 Montpellier, Chelmsford	The Rosemount	41
1950 Lasalle Boulevard	Place Hurtubise	106
744 Bruce Street	Ryan Heights	150
1960 B Paris Street	401 Rumball Terrance	204
1960 A Paris Street	201 Rumball Terrance	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'Neill 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

In addition, two parcels of vacant land, which currently do not have any buildings on them, were also transferred to the Corporation.



# GREATER SUDBURY HOUSING CORPORATION

## Notes to Financial Statements

Year ended December 31, 2019

### 5. Accumulated surplus:

	Operating Reserve	Capital Reserve	Rent Supplement Reserve	Total 2019	Total 2018
<b>Reserve</b>					
Balance, beginning of year	\$ 718,769	894,305	390,652	2,003,726	2,499,846
Excess of revenue over expenses	27,371	149,173	209,097	385,641	444,100
Return surplus to City of Greater Sudbury	—	—	(90,651)	(90,651)	(940,220)
Capital projects not completed	—	(517,251)	—	(517,251)	(488,800)
Subtotal	\$ 746,140	526,227	509,098	1,781,465	1,514,926
<b>Surplus</b>					
Capital projects not completed	—	517,251	—	517,251	488,800
Balance, end of year	\$ 746,140	1,043,478	509,098	2,298,716	2,003,726

### 6. Commitments:

The Corporation provides certain employee benefits, which will require funding in future years, and which are not accrued. The value of unaccrued vacation as at December 31, 2019 totals \$47,788 (2018 - \$58,430).

The Corporation enters into various non-cancellable contracts in the ordinary course of business. Payments for these contracts are contractual obligations as scheduled per each agreement. Commitments for minimum payments in relation to non-cancellable contracts as at December 31, 2019 are as follows:

No later than one year	\$ 1,498,494
Later than one year and no longer than five years	1,710,285
	\$ 3,208,779

The Corporation is involved in certain litigation and claims from time to time, which are in the normal course of business. The Corporation records accruals that reflect management's best estimate of any potential liability relating to these claims. In the opinion of management, the Corporation has reasonable arguments to defend against these claims and none would result in an additional liability that would have a significant adverse effect on the Corporation's financial position. However, the Corporation cannot predict with certainty the final outcome of these matters. No accrual has been made as at December 31, 2019 (2018 - \$Nil) for any of these claims.

# GREATER SUDBURY HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2019

## 7. Utilities:

Utilities expense comprises the following:

	2019	2018
Electricity	\$ 907,829	\$ 904,927
Fuel	1,397,076	1,535,141
Gas hot water tank rental	162,868	158,919
Water	1,197,073	1,090,164
	<u>\$ 3,664,846</u>	<u>\$ 3,689,151</u>

## 8. Insurance:

Administration expense includes \$79,823 (2018 - \$75,635) of insurance expense and property maintenance and operations expense includes \$299,378 (2018 - \$254,905) of insurance expense.

## 9. Financial risks and concentration of credit risk:

Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Corporation is exposed to credit risk with respect to the tenant receivables, other receivables, cash and pooled investment fund.

The Corporation assesses, on a continuous basis, tenant receivables and other receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at December 31, 2019 is the carrying value of these assets.

The carrying amount of tenant and other receivables is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the income statement. Subsequent recoveries of impairment losses related to tenant and other receivables are credited to the income statement. The balance of the allowance for doubtful accounts as at December 31, 2019 is \$385,400 (2018 - \$385,400).

## 10. Comparative information:

Certain 2018 comparative information have been reclassified to conform with the presentation adopted in 2019.

# GREATER SUDBURY HOUSING CORPORATION

Notes to Financial Statements

Year ended December 31, 2019

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## 11. Subsequent event and contingencies

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Entity's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect our business is not known at this time.

# GREATER SUDBURY HOUSING CORPORATION

Schedule 1

## Schedule of Operations

Year ended December 31, 2019

	Operating		Capital		Rent Supplement Program		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenue:								
Rental	\$ 7,025,344	7,826,371	-	-	-	-	7,025,344	7,826,371
Maintenance recoveries	155,500	256,144	-	-	-	-	155,500	256,144
Sundry revenue	224,716	275,292	-	343,718	-	-	224,716	619,010
Interest	24,600	63,836	-	-	-	-	24,600	63,836
Management services	9,445	9,445	-	-	-	-	9,445	9,445
City of Greater Sudbury:								
Local Housing subsidy	4,919,216	4,919,214	2,831,478	2,831,478	3,347,952	3,347,952	11,098,646	11,098,644
Regular Rent Supplement Program administration fee	78,200	78,200	-	-	-	-	78,200	78,200
Strong Communities Rent Supplement Program	10,452	10,452	-	-	-	467,098	10,452	477,550
Special Capital Projects	-	-	-	1,075,784	-	-	-	1,075,784
	12,447,473	13,438,954	2,831,478	4,250,980	3,347,952	3,815,050	18,626,903	21,504,984
Expenses:								
Capital	-	-	2,831,478	4,108,856	-	-	2,831,478	4,108,856
Salaries and benefits	4,358,740	4,197,599	-	-	-	-	4,358,740	4,197,599
Utilities	3,765,435	3,664,846	-	-	-	-	3,765,435	3,664,846
Rent Supplement Program	-	-	-	-	3,347,952	3,612,577	3,347,952	3,612,577
Property maintenance and operations	2,985,100	3,990,823	-	-	-	-	2,985,100	3,990,823
Administration	601,220	572,734	-	-	-	-	601,220	572,734
Bad debts	246,000	478,840	-	-	-	-	246,000	478,840
Tenant services	248,818	285,188	-	-	-	-	248,818	285,188
Transportation and communication	242,160	233,670	-	-	-	-	242,160	233,670
	12,447,473	13,423,700	2,831,478	4,108,856	3,347,952	3,612,577	18,626,903	21,145,133
Excess of revenue over expenses before undernoted	-	15,254	-	142,124	-	202,473	-	359,851
Interest on reserve funds	-	12,117	-	7,049	-	6,624	-	25,790
Excess of revenue over expenses	\$ -	27,371	-	149,173	-	209,097	-	385,641

# GREATER SUDBURY HOUSING CORPORATION

Schedule 2

## Schedule of Tangible Capital Assets

Year ended December 31, 2019, with comparative information for 2018

### Cost:

	High-rise Residential Units			Multi-residential Units		Single-family Residential Units		Equipment & Vehicles		Total
	Land	Site Improvements	Buildings	Land	Buildings	Land	Buildings	Furniture & Equipment	Vehicles	
Balance, January 1, 2018	\$ 2,180,550	8,383,285	22,997,083	2,853,550	40,538,008	4,155,000	13,345,459	709,116	380,690	95,542,741
Additions	-	927,774	2,309,212	-	883,671	-	-	-	67,443	4,188,100
Balance, December 31, 2018	2,180,550	9,311,059	25,306,295	2,853,550	41,421,679	4,155,000	13,345,459	709,116	448,133	99,730,841
Additions	-	769,557	1,366,939	-	826,914	-	-	-	78,872	3,042,282
Balance, December 31, 2019	\$ 2,180,550	10,080,616	26,673,234	2,853,550	42,248,593	4,155,000	13,345,459	709,116	527,005	102,773,123

### Accumulated amortization:

	High-rise Residential Units			Multi-residential Units		Single-family Residential Units		Equipment & Vehicles		Total
	Land	Site Improvements	Buildings	Land	Buildings	Land	Buildings	Furniture & Equipment	Vehicles	
Balance, January 1, 2018	\$ -	4,392,469	12,133,746	-	29,142,964	-	9,919,212	709,116	332,451	56,629,958
Amortization	-	332,717	927,922	-	2,053,820	-	667,274	-	41,441	4,023,174
Balance, December 31, 2018	-	4,725,186	13,061,668	-	31,196,784	-	10,586,486	709,116	373,892	60,653,132
Amortization	-	560,691	981,487	-	2,096,585	-	667,274	-	48,757	4,354,794
Balance, December 31, 2019	\$ -	5,285,877	14,043,155	-	33,293,369	-	11,253,760	709,116	422,649	65,007,926

### Carrying amounts:

	High-rise Residential Units			Multi-residential Units		Single-family Residential Units		Equipment & Vehicles		Total
	Land	Site Improvements	Buildings	Land	Buildings	Land	Buildings	Furniture & Equipment	Vehicles	
At December 31, 2018	\$ 2,180,550	4,585,873	12,244,627	2,853,550	10,224,895	4,155,000	2,758,973	-	74,241	39,077,709
At December 31, 2019	2,180,550	4,794,739	12,630,079	2,853,550	8,955,224	4,155,000	2,091,699	-	104,356	37,765,197

### Summary:

	Land	Site Improvements	Buildings	Furniture & Equipment	Vehicles	Total
Balance, beginning of year	\$ 9,189,100	9,311,059	80,073,433	709,116	448,133	99,730,841
Additions	-	769,557	2,193,853	-	78,872	3,042,282
Amortization	-	(5,285,877)	(58,590,284)	(709,116)	(422,649)	(65,007,926)
Balance, end of year	\$ 9,189,100	4,794,739	23,677,002	-	104,356	37,765,197



Greater Sudbury  
Housing Corporation

# ANNUAL REPORT

# 2019

401 –10 Elm Street  
Sudbury, ON P3E 4P6  
705.674.8323





## Greater Sudbury Housing Corporation (GSHC)

The GSHC was incorporated under the Ontario Business Corporations Act (OBCA), on December 14, 2000, by the Province of Ontario as part of its local services restructuring initiative with the City of Greater Sudbury (CGS) as its sole shareholder.

In September 2018, the transition of the GSHC to a quasi-independent operating model was approved. This model transferred the administrative component of the corporation to the municipality while leaving the assets within the GSHC. Greater Sudbury Housing Operations (GSHO) is the newest division in the Community Development Department.

As a social housing provider, the GSHC operates under the Housing Services Act and any other rules determined by the CGS as the legislatively designated Consolidated Municipal Service Manager (Service Manager) responsible for the funding and administration of affordable housing within its jurisdiction.

The GSHC provides rent-g geared-to-income housing to all types of households including family, seniors, singles, and people with special needs. The vast majority of the tenant population is comprised of low income households.

The GSHC portfolio consists of 1,848 rental units and is made up of a variety of housing styles and bedrooms sizes, ranging from single detached bungalows to large high-rise buildings. Specifically, the GSHC owns:

- 6 high-rise buildings containing 766 rental units
- 8 townhouse complexes containing 547 rental units
- 17 smaller apartment buildings containing 294 rental units
- 241 rental units consisting of single family, semi-detached and duplex dwellings

This can be broken down further by bedroom size:

- 778 one bedroom units
- 353 two bedroom units
- 511 three bedroom units
- 161 four bedroom units
- 45 five bedroom units

These buildings were built by the Province of Ontario through the Ontario Housing Corporation between 1963 and 1978. The average age of the properties is currently 47 years.



# Financial Overview

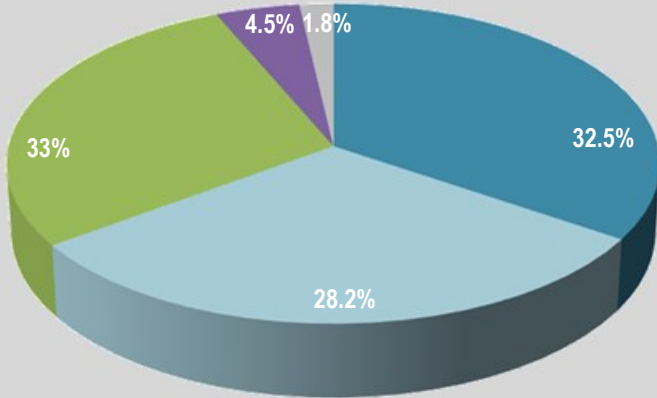
Overall, GSHC was successful in delivering its services and managing its operations within its operating budget generating a surplus of \$15,000.

Revenues were \$991,000 over budget. Rental revenue has increased by 7% this year (6% in 2018). This is the second year of rental revenue increases. The average rental revenue increase was only 0.3% from 2012 to 2017. The increases are the result of an overall rise in the average occupied market rent per unit which can be attributed to an increase in the percentage of tenants with earned benefits and an increase in number of households at market rents due to a loss of subsidy. Vacancy loss remained relatively stable compared to prior year.

Operating Expenditures, excluding bad debt, were over budget by \$743,000. Salaries and Benefits were under budget by \$161,000. Savings resulted from unanticipated leaves and delays in staffing vacant positions. Administration and Transportation costs came in under budget by \$37,000. Utilities were under budget by \$101,000. The realizable value of the increase in revenues was utilized to offset overspending on maintenance of aging infrastructure and security services of \$1,042,000.

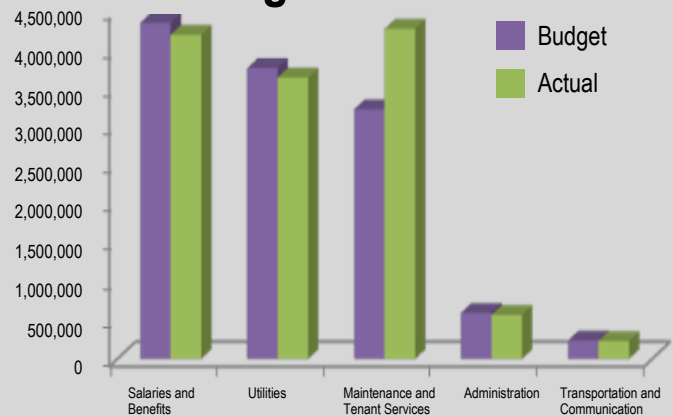
Bad Debt write offs were \$233,000 over budget mainly due to the unrealizable value of revenues for households at market rent due to loss of subsidy.

## Operating Expenditures

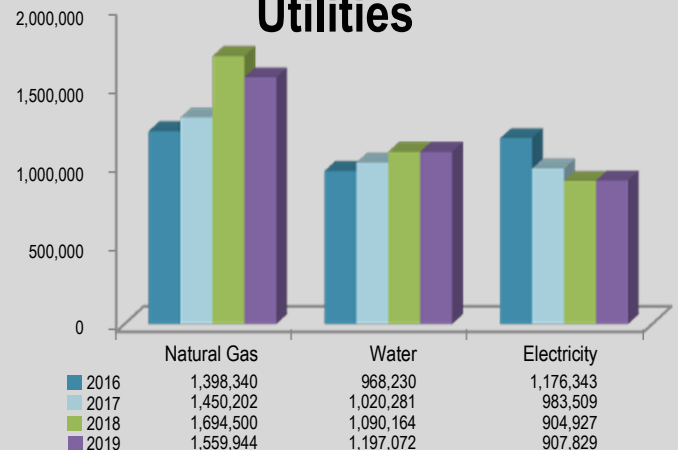


	Budget	Actuals
Salaries and Benefits	\$4,358,740	\$4,197,599
Utilities	\$3,765,435	\$3,664,846
Maintenance and Tenant Services	\$3,233,916	\$4,276,011
Administration	\$ 601,200	\$ 572,734
Transportation and Communication	\$ 242,160	\$ 233,670

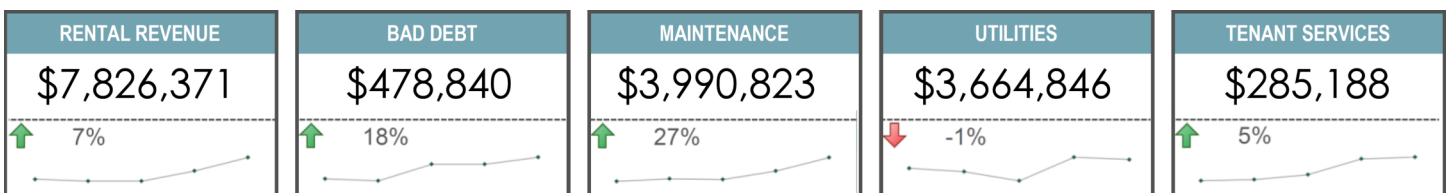
## Budget to Actual



## Utilities



## Per Year Comparative and Five Year Trend







Tenant  
Households



47%  
Families



17%  
Seniors



36%  
Singles

# Tenant Services

## Community Gardens

Cooper Equipment Rentals generously donated the use of equipment, product and staff to assist with the expansion of the Paris Street Community Garden. This garden allows GSHC to assign garden plots to tenants who reside at GSHC properties at the four corners location. Tenants invested much of their time to a successful harvest at year end.

## Tot Parks

The City of Greater Sudbury Leisure Services held tenant engagement sessions to discuss the location and landscaping of new tot play structures on two proposed sites.

GSHC and City of Greater Sudbury worked collaboratively to install tot play structures (0-6 years) at both Louis Street and Paris Street. These structures were designed with several safety features, including the installation of a needle resistant foundation.

## 159 Louis Street Mural

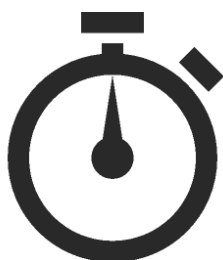
As part of the Up Here Festival, Callander-based artist Laura Peturson painted a mural on the building at 159 Louis Street.

Her work is narrative in nature and draws upon archetypes from children's literature. It also captures an experience of childhood as it relates to geography, place within a family structure and that forms one's sense of identity.





22,313  
Completed  
Work Orders



10 days  
Average Work Order  
Completion Time



338  
Units Prepared for  
Rental after Move Out



34 days  
To Prepare a Unit for  
Rental after Move Out

# Maintenance Services

## Requests for Service

In 2019, GSHC noted a significant increase in maintenance service requests. Each year there is a slight increase over the previous year. This increase can be attributed to repairs made to aging buildings and the transfer of the portfolio administration to the City of Greater Sudbury.

Staff completed 20 percent more work orders than in the previous year. GSHC saw a significant demand for our services and not all work was been completed by year end. It has become necessary for maintenance services to create a category of work which contains work orders that are not deemed urgent and have not been requested by residents. The majority these work orders are due to issues noted by staff while completing our Preventative Maintenance Program.

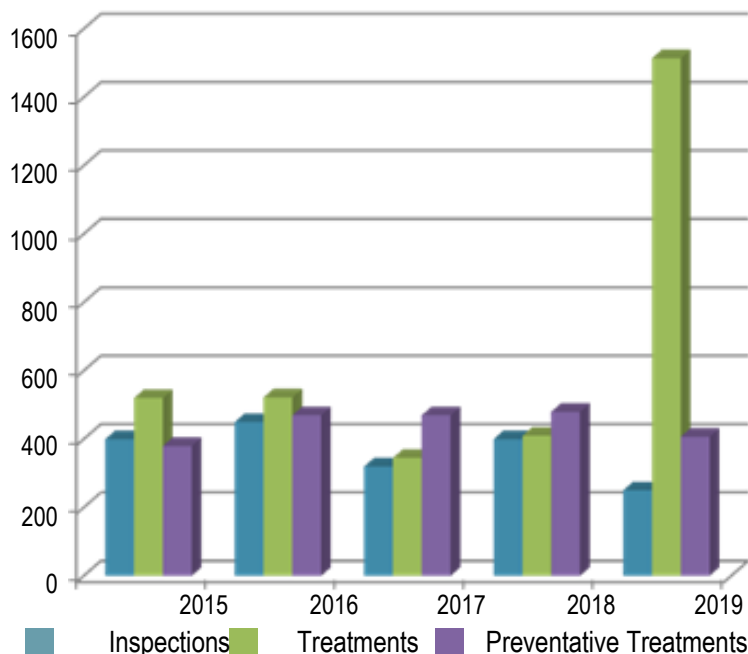
## Contracting In Winter Control

In 2012, GSHC implemented a staged plan to contract in our winter control work. In 2019, the balance of our properties were added. GSHC was able to complete all winter control work and provided quicker response times.

## Pest Management

Trends from previous years continued throughout 2019. Although calls for bed bug infestations decreased, calls for roaches and mice infestations continued to rise. The large increase in treatments was due to a change in our program which required three exterminator visits for rodent control. A report from the exterminator states that the trend is consistent with other properties in the City of Greater Sudbury.

### Pest Control Treatments





241

Single Family and  
Semi-Detached



8

Family Townhouse  
Complexes



6

High Rise  
Apartment Buildings



9

Walk-Up Apartment  
Buildings

## Capital Planning and Construction Services



### 1960 A and B Paris Street Mechanical Upgrades and Energy Efficiency \$2,252,000

This project is a significant mechanical modernization for these two buildings resulting in energy efficiency improvements. The work included replacement of boilers, booster pumps, make up air units with insulated ductwork, hot water tanks, LED lighting garage heaters, garage wall insulation and garage door replacements. This significantly improves the overall facility condition index of the property and the work was funded through the Social Housing Apartment Improvement Program (SHAIP). The GSHC received over \$320,000 in retrofit rebates from Enbridge.



### 1960 Paris Infrastructure Project Completion \$770,000

The completion of the multi-year infrastructure work at 1960 Paris includes the sidewalks, lawn restoration, asphalt walkways and waste management systems. The stormwater management system is a final upgrade scheduled for 2020.



## 744 Bruce Avenue Exterior Siding, Insulation and LED Lighting Retrofits \$451,200

This property had retrofits of all exterior fixtures to new LED models. Where lighting was inadequate, additional fixtures were added. The new lighting will enhance security and reduce electricity costs. New siding and exterior insulation was installed to improve energy efficiency.



## 715 Burton Avenue Boiler, Make-up Air and Domestic Hot Water Tank Replacement \$221,254

This project was funded through the Ontario Priorities Housing Initiative program (ONPHI). It was an energy efficiency upgrade as well as an improved level of service for the tenants in the building. The make-up air unit is now able to provide efficiently heated air to the common halls. The technology and controls are modernized to allow for remote management of the systems.



## 1960 Paris Emergency Generator Replacement \$188,587

The emergency, oil fired generator at 1960 Paris was near end of life when it failed. The replacement is a more efficient natural gas powered unit. It supplies power to the necessary electrical circuits of the 1960 Paris complex to ensure safe housing facilities for the tenants.



## 715 Burton Avenue Window Replacement \$185,013

This project included the replacement of original end of life, inefficient windows with high efficient triple glazed, aluminum framed windows.

The result is increased comfort for the tenants, reduced energy costs and an expected lifespan of 40 years.



## 1920 Paris Street Make-up Air Ductwork Insulation and LED Lighting \$117,000

These two projects were focused on energy savings retrofits through an upgrade of the insulation on the rooftop make-up air unit and the replacement of all unit lighting with high efficiency LED's.



## Plough Truck \$97,331

This new plough and dump truck enables us to respond to snow clearing at various properties.

Analysis showed that the owned vehicle was more cost effective than contracting out the service.



## 1052 Belfry Card Access Systems \$16,120

GSHO converted this building to card access for exterior doors.

This system allows our office staff to remotely grant or remove access to a resident's card, enhances security at buildings and saves the time and expense of re-keying entry doors.

