

St. Thomas – Elgin Social Housing

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Bulletin: #09-02	Public Housing	Federal section 26 & 27
Subject: Reporting investments	Rent Supplement	✓ Provincial Reformed
Date: April 17, 2009	Federal section 95	Municipal Non-Profit

New accounting rules introduced by the Canadian Institute of Chartered Accountants (CICA) require capital reserves to be reported at market value rather than historical costs. The new rules came into effect in 2007. This change in reporting may result in the total capital reserve fund to be in a negative funded position for the corporation's fiscal year.

Local Procedures

Under the authority of Section 113 (6) and (7) of the *Social Housing Reform Act*, the City of St. Thomas requires Housing Providers to instruct their auditors to adopt the following deviation for audited financial statements submitted to the City:

- Investments should be reported at cost on Financial Statements until such time as gains or losses are realized. Fair market values should be shown in brackets beside the cost figures on the Financial Statements.

This requirement pertains to mandatory capital reserve investments held in the Social Housing Investment Program with SHSC Financial Inc. and managed by Phillips, Hager & North. The four funds in the Social Housing Investment Program are the Money Market Fund, the Short-term Bond Fund, the Bond Fund, and the Equity Fund.

Auditors may, at their discretion, include additional notes to the Financial Statements for comments or explanations to help readers understand the meaning of unrealized gains/losses based on fair market values (shown in brackets beside the cost figures).

Where investments have already been reported at fair market values on prior year Financial Statements, restatement is not required but may be done if the auditor feels it is appropriate to do so.