

Implementation Guideline Release 2: Second Year of Benchmarks



Guide to the Annual Information Return

How to use this Guide

This Guide provides the corporations Board of Directors and staff with instructions and guidance to assist them with the preparation of the Annual Information Return (AIR). The Guide is divided into five sections:

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I. Introduction

What is the purpose of the AIR?

The AIR is a summary of the corporation's financial, operating, and statistical information for the fiscal year. The service manager uses this information for:

- verifying the corporations subsidy entitlement
- assessing the corporations compliance with the *Social Housing Reform Act, 2000* (SHRA) and /or its operating agreements (for federal agreements).
- forecasting and budgeting

Who must prepare the AIR?

The AIR shall be prepared by all non-profit housing corporations including non-profit co-operative corporations transferred to a service manager. Service managers may decide if Local Housing Corporations (LHCs) and Federal Unilateral corporations must also complete the form.

There is only one version of the AIR, but some portions of the AIR apply only to projects developed under particular programs. This Guide applies to both private and municipal non-profits and non-profit housing co-operatives that are subject to Part VI of the SHRA, as well as those projects which are not subject to that part of the Act. This includes providers who formerly reported to the Canada Mortgage and Housing Corporation (CMHC).

When is the AIR due?

The AIR must be submitted, with the required auditor's reports and a copy of the corporations audited financial statements, within five months of the corporations year end, or within four months of the corporations year end as required by the housing provider's operating agreement

(federal agreement).

Where is the AIR filed?

All forms are filed with your service manager. Your service manager may prefer you to file your AIR electronically. Please check with your service manager.

Whom should you contact for assistance?

If you have any questions regarding the completion of the AIR, please contact your service manager.

II. Responsibilities of the Board of Directors

The Board of Directors (Board) is the ultimate management authority responsible for the welfare of the corporation. Part of this responsibility is to ensure that the corporation fulfils the responsibilities outlined in the SHRA and/or its operating agreements with the service manager. Some of these obligations are listed in the management representations on page two of the AIR. The Board, by having two directors sign the AIR, is confirming that the management representations it is making on page two of the AIR are correct.

For purposes of year-end reporting and the AIR, the Board is responsible for:

- preparation of the financial statements;
- preparation of the AIR, including:
 - ensuring that financial information contained in the AIR agrees with the financial statements;
 - ensuring that, to the best of its knowledge and belief, the assertions made in the Management Representation are true and correct;
 - ensuring the accuracy of all other information in the AIR;
- engaging an auditor, licensed under the *Public Accountancy Act*, to:
 - provide an auditors report on the corporation's financial statements;
 - provide the “Accountants Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return”; and
 - provide a report (Management Letter) to the Board reporting significant internal control or operational weaknesses which came to their attention during the audit;
- remedying any serious deficiencies in internal controls or operations reported by the corporations auditors, or as may otherwise come to the Board's attention;
- providing any other information requested by the service manager in connection with the review of the AIR;
- submit the AIR, signed on behalf of the Board by two members of the Board, along with the audited financial statements, within five months of the corporations fiscal year end;

Being responsible does not mean that the Board members must personally perform the tasks indicated, or have first-hand knowledge of the performance of the task. However, to fulfil its responsibilities, the Board must have sufficient understanding of the requirements to be reasonably confident that the proper systems are in place to ensure that the requirements are fulfilled, and undertake sufficient enquiry to be satisfied that the requirements have been fulfilled.

III. Accounting and Administrative Requirements

1. Accounting Policies

The corporation must abide by the generally accepted (GAAP) accounting policies outlined in the CICA Handbook issued by the Canadian Institute of Chartered Accountants, except for the treatment of amortization which auditors make reference to in the notes to the financial statements.

2. Financial Information

The financial information contained in the AIR must be based on, and agree with, the corporations audited financial statements. In some cases, the financial information will be a subset of the information in the corporations audited financial statements (as in the case of LHCs transferred into the municipality structure).

3. Program Guidelines

Any reference in this Guide to guidelines shall be interpreted as a reference, in order of authority, to:

- a) *Social Housing Reform Act, 2000 (SHRA)*
- b) Regulations under the *Social Housing Reform Act, 2000*
- c) this Guide to the Annual Information Return

4. Capital (Replacement) Reserve Fund

The corporation must establish and maintain a replacement reserve fund as required by its operating agreement and/or a capital reserve fund as required by Part VI of the SHRA. The cash and investments of the capital reserve fund are restricted, and can only be used for capital expenditures as defined in the operating agreement. Capital expenditures must be funded from the fund, and not from the operating budget.

The cash and investments in the fund are to be accounted for separately from the corporations other cash and investments, and maintained in the financial instruments as specified in the operating agreement or in regulations under Part VI of the SHRA, O.Reg. 339/01sec. 25. The cash and investments in the fund must equal the fund balance at all

times.

The amount to be contributed to the fund is defined in the corporations operating agreements and/or in the regulations under Part VI of the SHRA. Additional monies advanced by the service manager for capital expenditures must be contributed to the fund upon receipt.

5. Mortgage Escrow Account

At interest adjustment date (the date the mortgage commences), the corporation might not have completed construction of a new project. Any construction loan funds which remained unspent at that time, including funds drawn to cover accrued expenses, were to have been transferred to a mortgage escrow account. After completion of the capital cost audit, all mortgage escrow funds including interest must be returned to the Ministry Capital Funding Unit to be applied at the next mortgage renewal.

6. Non-Shelter Component Expenses

The non-shelter component of the portfolio may consist of commercial space, a care component funded by provincial ministries or agencies, or other space or expenditures of the portfolio not related to the provision of shelter. Non-shelter space in a project will usually be identified in the construction documents and in a non-shelter agreement. Amenity space related to the provision of shelter, such as office space and laundry rooms, is considered to be part of the shelter component.

Expenses related to a non-shelter component may include both direct and indirect expenses. Any expenses relating directly to the non-shelter component must be recorded as non-shelter expenses. Any indirect expenses must be allocated between shelter and non-shelter:

- on the basis of a written agreement between the corporation and the service manager or other funding agencies, a lease agreement between the Non-Profit (Landlord) and the Commercial Tenant, or,
- where there is no written agreement, on the basis of relative square footage, as determined in approved construction documents.

7. Sector Support Cost

If the co-operative has paid a sector support contribution to the Co-operative Housing Federation of Canada out of its mortgage loan, it is to be recorded as part of land, building, and equipment.

The portion of the mortgage amortization related to the sector support contribution is to be excluded from shelter expenses.

Sector support levies charged to members are to be excluded from occupancy charge

revenue. The Sector Support Cost is not subsidized by the service manager.

8. Unit Activity

Rent Geared to Income (RGI) assistance as defined under the SHRA Part 1, “means financial assistance provided in respect of a household under a housing program to reduce the amount the household must otherwise pay to occupy a unit in a housing project”. Thus, ordinarily an RGI unit would be defined as any unit paying less than the market rent. But, since the RGI subsidy is calculated at the lower of Benchmark market rent or Actual market rent, the matching principle of accounting would dictate that **Market units should be classified as those units paying greater than or equal to Benchmark rent if the benchmark rent is lower than Actual market rents.** For example if Actual Market rent is \$500 and Benchmark rent is \$450 then all units paying \$450 or greater, should be considered market units for purposes of page D2 of the AIR. Similarly, the revenue attributed to RGI and Market units should be determined using the same rules.

(For programs not governed by the SHRA and not subject to benchmarks, RGI units are always units paying less than market rent.)

Vacant units are deemed RGI or Market depending on the status of the tenant who vacated. i.e., the unit keeps the same status until re-occupied. For purposes of page D2 and B4 of the AIR, vacant units must be included in either RGI or Market depending on the status of the tenant who vacated.

9. References to Rent Geared to Income (RGI) are applicable to provincial reformed housing projects, whereas for federal unilateral projects the term to apply is Income Tested. Within the guide, these two terms are interchangeable depending on which program is being reconciled.

IV. Auditors Reports

The corporations auditor is to provide the “Accountant’s Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return”, in addition to the auditors report on the corporations financial statements. If the provider is a component of the service manager, an audited statement is not required for reporting to the service manager.

The auditor is providing these reports to assist the service manager in assessing the corporation's compliance with:

- the obligations under the SHRA and regulations, and/or
- conditions contained in its operating agreement(s), and
- the accuracy of the AIR

The Board of Directors must ensure that the auditor prepares these reports. The auditor is not

responsible for the completion of the AIR. It is the Board of Directors responsibility to ensure that the AIR is complete and accurate, even if the auditor assists in the preparation.

The report, which is to be attached to the AIR, shall be in the following form as recommended by the Institute of Chartered Accountants of Ontario:

ACCOUNTANT'S REPORT ON APPLYING SPECIFIED AUDITING PROCEDURES IN RESPECT OF THE ANNUAL INFORMATION RETURN

To the Service Manager:

As specifically agreed, I have performed the auditing procedures described in Appendix A, to assist the Service Manager in assessing ____ (*name of corporation*)'s ("the Corporation") compliance with the Social Housing Reform Act and regulations and the information in the Annual Information Return for the year ended (*date*). This engagement to apply agreed-upon auditing procedures was performed in accordance with standards established by the Canadian Institute of Chartered Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described in Appendix A either for the purpose for which this report has been requested or for any other purpose.

The results of my procedures are documented in Appendix A. My audit of the Corporation's financial statements for the year ended (*date*) was not directed to the information in the Annual Information Return. The procedures in Appendix A do not constitute an audit of the Annual Information Return and, therefore, I express no opinion on the information in the Annual Information Return for the year ended (*date*). Had I performed additional procedures, other matters might have come to my attention that I would have reported to you.

This letter is for use solely by the Service Manager in assessing the Corporation's compliance with the Social Housing Reform Act and regulations and the information in the Annual Information Return, and is not intended to be and should not be used by anyone else or for any other purpose.

CHARTERED ACCOUNTANT

(*City*), Canada

(*Date*)

Appendix “A”

SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN	RESULT OF SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN
1. Obtain the completed Annual Information return (AIR) from those delegated by the Board of Directors to complete the AIR for the year ending (date) .	I obtained the completed Annual Information Return (AIR) from those delegated by the Board of Directors to complete the AIR for the year ending (date) .
2. Read the management representations requested in the AIR Page A2 and the corresponding responses from the Corporation.	I read the management representations requested in the AIR Page A2 and the corresponding responses from the Corporation.
3. Ask the questions on the AIR Page A2 to those delegated by the Board of Directors to complete the AIR for the year ending (date) and comment on any different responses.	I asked the questions on the AIR Page A2 to those delegated by the Board of Directors to complete the AIR for the year ending (date) and found no differences in responses [or alternatively: and found the following differences: (list differences)].
4. Ask the questions on the AIR Page A2 to a representative of the Board of Directors and comment on any different responses.	I asked the questions on the AIR Page A2 to a representative of the Board of Directors and found no differences in responses [or alternatively: and found the following differences: (list differences)].
5. Agree the underlying financial records of the Corporation to the audited financial statements for the period ending (date) .	I found no exceptions [or alternatively: I found the following exceptions: (list exceptions)].
6. Agree the description of the items and related amounts (Line 310 to Line 395) on Page A3 of the AIR to the underlying financial records of the Corporation.	I found no exceptions [or alternatively: I found the following exceptions: (list exceptions)].
7. Agree the description of the items and related amounts (Line 501 to Line 599) on Page A4 (and A4 Schedules) of the AIR to the underlying financial records of the Corporation.	I found no exceptions [or alternatively: I found the following exceptions: (list exceptions)].
8. Agree the description of the items and related amounts (Line 610 to Line 629) on Page A5 of the AIR to the underlying financial records of the	I found no exceptions [or alternatively: I found the following exceptions: (list exceptions)].

Corporation.

Appendix “A” – continued

SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN

RESULT OF SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN

9. Agree the description of the items and related amounts (Line 651 to Line 699) on Page A6 of the AIR to the underlying financial records of the Corporation.

found no exceptions [**or alternatively:** I found the following exceptions: (**list exceptions**)].

10. Agree the description of the items and related amounts (Line 701 to Line 795) on Page A7 of the AIR to the underlying financial records of the Corporation.

I found no exceptions [**or alternatively:** I found the following exceptions: (**list exceptions**)].

11. Agree the description of the items and related amounts (Line 801 to Line 833) on Page A8 of the AIR to the underlying financial records of the Corporation.

I found no exceptions [**or alternatively:** I found the following exceptions: (**list exceptions**)].

12. Agree the description of the items and related amounts (Line 1501 to Line 1580) on Page B1 (and B1 Schedules) of the AIR to the underlying financial records of the Corporation.

I found no exceptions [**or alternatively:** I found the following exceptions: (**list exceptions**)].

13. Agree the description of the items and related amounts (Line 1610 to Line 1629) on Page B2 of the AIR to the underlying financial records of the Corporation.

I found no exceptions [**or alternatively:** I found the following exceptions: (**list exceptions**)].

14. Agree the description of the items and related amounts (Line 1635 to Line 1690) on Page B3 of the AIR to the underlying financial records of the Corporation.

I found no exceptions [**or alternatively:** I found the following exceptions: (**list exceptions**)].

V. Completion of the Annual Information Return

General Notes:

1. Calculated cells are shaded while input cells are not
2. Information to the left of a cell indicates where the number came **from**
3. Section A – relates to Provincially Reformed Projects (section 103 and 106 of the SHRA) with the exception of page A4 which summarizes the Corporate Results of Operations
4. Section B - relates to Other Housing Programs
5. Section C is statistical information
6. Section D – contains the schedules used in the calculation of subsidy under the SHRA

The AIR must be submitted, with the required auditor's reports and a copy of the corporation's audited financial statements, within five months of the corporation's year end, or as required by the operating agreement (federal agreement). It consists of the following forms:

For 2007, certain worksheet tabs have been rearranged and moved forward from their normal chronological order so subsequent tabs will be complete rather than having to complete all tabs before all sheets properly display figures.

Provincially reformed housing providers (Non Profits and Co-operatives) should start with Excel Tab A1, A2, A3, A3, A5 (skip A5 if housing provider does not have a non shelter component) A6. Sheet D2-UAD and sheet D1 – Rents, has been moved from their normal chronological order and inserted before sheet A7 so fields in A7 will be populated in advance of the required input for page A7, (skipping B1, B2, B3, B4), complete tabs C1, C2, D3. Corporations having both, a provincially reformed project(s) and a federal unilateral project(s) and/or a municipal Section 95 project will also need to complete tabs B1 through B4.

Housing Providers who are 100% RGI need only complete tabs A1 through A6, (skipping A5 if no non shelter component), A6, D2, D1, A8, C1, C2 and C3.

Housing Providers who only have a Section 95 2% write down project need only complete tabs A1 through A3, A4 (Section B and Accumulated Surplus/Deficit), A5 (skip A5 if housing provider does not have a non shelter component), A6, B1 (column 581), B2 column 581, (skip B2 if housing provider does not have a non shelter component), B3, B4, C1.

Service Managers at their option may request LHC's and Federal Unilateral Projects to complete the AIR. LHC's need only complete tabs A1, A2 through A4. Housing Providers who have only a federal component to their projects, need only to complete tabs A1, A3 through A6, (skip A5 if housing provider does not have anon shelter component), B1 columns (582 through 587 depending on program), C1.

PART A - PROVINCIAL REFORMED PROGRAM – Financial Information

- A1 Identification
- A2 Management Representation Report
- A3 Statement of Financial Position (Corporate Balance Sheet)
- A4 Statement of Operations and Accumulated Surplus (Corporate)
- A4 A4 Schedules
- A5 Net Non-Shelter Income (Loss)
- A6 Capital Reserve Fund (Housing)
- A7 General Subsidy - Part VI SHRA (Sections 103 & 110)
- A8 General Subsidy - Part VI SHRA - 100% RGI (Section 106)

PART B – OTHER HOUSING PROGRAMS

- B1 Revenue and Expenses- All Programs (except Provincial Reformed)
- B1 B1 Schedules
- B2 Non-Shelter –All programs except Provincial Reformed
- B3 Unit Activity - Section 95- MNP
- B4 Subsidy Entitlement Calculation- Section 95 NHA – MNP

PART C - STATISTICAL INFORMATION

- C1 Statistical Information
- C2 Targeting Plans

PART D - SUPPORTING SUBSIDY CALCULATIONS

- D1 General Subsidy - Part VI SHRA - RGI Rental Schedule
- D2 Unit Activity Data Report-Section 103, 106, 110
- D3 General Subsidy - Part VI SHRA - Operating Reserve

Part A – Financial Information

Page A1 - Identification

The identification section includes basic identification data, including the designated contact person. The contact person identified will be the individual to be contacted by the service manager if there are questions concerning the AIR.

Each housing provider must fill in corporate information including corporation name, ID number, fiscal year end, service manager reporting to, address and mailing address (if different), program type, number of units, contact name and position, telephone number, fax number, and email address as well as the applicable sections of the SHRA.

Unless your service manager has eliminated using ID numbers or assigned new ID numbers, providers are to use the Ministry of Municipal Affairs and Housing's assigned group number, or

in the case of federal providers, the provider number assigned by CMHC. Where the provider has both federal and formerly provincial projects, both ID numbers are to be included.)

Each housing provider is to indicate “Y” or “N” across from the program type as well as the corresponding number of units. The programs are defined in the SHRA regulations, O.Reg. 368/01 Table I. **Also, the relevant section of the SHRA must be indicated since these cells link to Schedules A7, A8 and D3.** (Table 3 of O.Reg. 339/01 lists the 100% RGI providers)

(Note: If a service manager does not require the LHC to report using the AIR, then the LHC is not required to use this form. Also, since Rent Supplement is usually a “piggy-back” program to one of the eight programs being reported in the AIR, the units and dollars should likewise be reported with the source program.)

The form must be signed and dated by two Board members, as noted at the bottom of the page. (Financial Statements must also be signed by two board members)

Page A2 - Management Representation Report

The corporation's operating agreements and/or the SHRA and its regulations include obligations which the corporation must fulfil. It is the responsibility of the Board to ensure that the corporation meets these obligations. Some of the conditions are not required of providers to which the SHRA does not apply. If any of the questions in this section do not apply, please check the “NA” box.

In the Management Representation Report, the Board is reporting to the service manager regarding the corporation's compliance with some key conditions of its operating agreements and/or the SHRA and its regulations. To ensure that the corporation has complied with all conditions of its operating agreements and/or the SHRA and its regulations, the Board should refer to the operating agreements and/or the SHRA and its regulations.

Page A3 - Statement of Financial Position (Balance Sheet)

This schedule provides information about the corporation's assets, liabilities, and surplus at year end, highlighting selected items from the corporation's audited balance sheet. All information must agree with the provider's annual audited financial statements.

Below is a description of the contents of each line of the statement. (Only input dollars no cents)

Assets

- 310 Cash and investments held in Capital or Replacement Reserve Fund (Restricted Assets) (Input the breakdown of Capital Reserve Assets in the area to the right of the Balance Sheet)
- 312 General cash and investments (other than in Capital Reserve Fund)

- 320 Subsidies receivable (e.g., from service manager, usually the last month subsidy payable the first of the month following)
- 321 Accounts Receivable - tenants- rents receivable
(Input breakdown of Accounts Receivable information in the area to the right of the Balance Sheet)
- 322 Accounts Receivable – other
- 325 Capital assets (e.g., Land, Buildings, Equipment included in the projects final capital costs) - Shelter
- 327 Capital assets (e.g., Land, Buildings, Equipment included in the projects final capital costs) - Non-shelter
- 329 Sector support. If the non-profit housing co-operative has paid a sector support contribution to the Co-operative Housing Federation of Canada out of its mortgage loan, it is to be recorded here. Sector support costs are not subsidized by service managers.
- 330 Total of lines 325, 327, and 329, representing total capital assets
- 334 Accumulated amortization on capital assets (all programs)
- 335 Net of line 330 minus line 334 which represents net capital assets
(should equal Mortgage loans payable – line 368)
- 350 Any other assets not specifically set out above (e.g., prepaid expenses)
- 355 Total of lines 310, 312, 320, 335, and 350, which must be equal to total assets of the corporation

Liabilities and Surplus

- 360 Subsidies which have been overpaid by the service manager
- 368 Mortgage loans payable (if applicable) secured by capital assets in line 330
- 370 Other loans (e.g., bank loans for working capital)
- 375 Other liabilities (e.g., trade accounts payable)
- 380 Surplus contributed from any source (e.g., owner, or donated by charitable organization)
- 384 Capital Reserve Fund (housing) from line 690
- 386 Reserve funds from all other sources

- 390 This represents the provider’s accumulated surplus, which is generally the same as the amount in line 599
(Input breakdown of Accumulated Surplus/Deficit details in the area to the right of the Balance Sheet)
- 395 Total of lines 360, 368, 370, 375, 380, 384, 386, and 390, which must be equal to total liabilities and surplus of the corporation

Note: As a method of checking that the financial statements are in balance, “Total Assets” should be equal to “Total Liabilities and Surplus”. The warning message “ERROR” will appear in line 395 if “total assets” do not equal “total liabilities and surplus”.

Page A4 - Statement of Operations and Accumulated Surplus (Corporate)

A. Statement of Operations (Revenue and Expenses) Provincial Reformed Sections 103 and 106

Revenue and expenses for the Provincial Reformed Projects should be entered here. All other program revenue and expense information should be entered on page B1.

Shelter Occupancy Revenue

- 501 Rent-geared-to-income units – revenue from rent geared to income tenants
- 502 Market units – revenue from market tenants (include Strong Communities Rent Supplement Revenue and classify the units as market)
- 504 Subtotal of RGI and Market Revenue, lines 501 and 502
- 505 Vacancy loss on market units only
- 510 Subtotal of occupancy revenue, determined by subtracting line 505 from line 504
- 521 Investment Income – interest from bank accounts and/or income on investments not held in capital reserve accounts (shelter only)
- 522 Non-rental revenue (parking, laundry, etc.) This includes all revenue, excluding rents, and investment income, directly attributable to, and earned from the assets of the shelter component. It does not include revenue from non-housing programs or activities, gifts, donations, fundraising revenue and bequests or net non-shelter revenue which is to be recorded on lines 575, 576 and 577
- 525 Net Subsidy Entitlement for the Year – Includes Mortgage subsidy, RGI subsidy, Property Tax subsidy, plus any additional subsidies less surplus repayment or other reductions. Either line 789 or 819 depending on whether the Group is Section 103, General Subsidy or Section 106, 100% RGI
- 530 Total Revenue- sum of lines 510 to 525, which represents total revenue from operations

Shelter Expenses (See Appendix A for further assistance)

- 541 Maintenance and Administration - Enter detailed expenses on **Page A4 Schedules-** maintenance salaries, wages, benefits, materials and services relating to building operations and administration (Total maintenance and administration is equal to line 541)
- 542 Utilities include the costs of electricity, gas, oil, water and sewage – Enter detailed expenses on **Page A4 Schedules** (Total utilities are equal to line 542)
- 543 Insurance – all insurance policies (excluding vehicle)
- 544 Bad Debts – rent charged to tenants that is no longer collectible
- 547 Capital reserve allocation amount from final benchmark
- 548 Subtotal Operating Expenses lines 541, 542, 543, 544, 545
- 549 Property taxes – current year expense

- 550 Total mortgage payments, including interest and principal, but excluding the portion of the mortgage associated with sector support contributions or non-shelter.
- 565 Total Shelter expenses - lines 548, 549, 550, which represent the total shelter associated expenditures
- 570 Net Income (Loss) Line 530 minus line 565, which represents net income (loss) of the housing shelter operations portion of the corporation's business for the year
- 575 Gifts and donations received by the provider
- 576 Non-shelter revenue (net). Net income (loss) from programs funded by the Ministry of Community and Social Services (MCSS) or Ministry of Health and Long Term Care (MOHLTC) and/or commercial space in the housing project. This line used to record the net financial result from these operations. This amount comes from line 629, column 3.
- 577 Net sector support revenue is the excess or deficiency when amortization of the sector support cost portion of the mortgage loan is subtracted from the sector support levies charged.
- 578 Non-Shelter Net Income (Loss) – subtotal of lines 575, 576, 577
- 580 Net Income (loss)-Provincial Reformed -Lines 570 plus 578.

2. Net Income (Loss) – Other Programs (from Schedule B1)

- 581 Section 95 (federal) MNP - from line 1580
- 582 Section 95 (federal) PNP - from line 1580
- 583 Section 26/27 (federal) - from line 1580
- 584 Limited Dividend - from line 1580
- 585 Public Housing - from line 1580
- 586 Pre-85- Urban native - from line 1580
- 587 Post-85 Urban native - from line 1580
- 589 Consolidated Net Income (Loss) - Lines 580 to 587

Corporate Statement of Accumulated Surplus (Deficit)

- 590 Balance in accumulated surplus at the beginning of the year, Line 599 from the previous year annual information return. (The Provincial Reformed programs governed by the SHRA must segregate accumulated shelter and non-shelter surplus for the purpose of calculating the Operating Reserve on Page D3.
- 591 Net income for the year comes from line 570 for Provincial Reformed Shelter, line 578 for Provincial Reformed Non-Shelter and lines 581 through 587 for Other Programs.
- 592 This line may report adjustments to Accumulated Surplus.
- 599 This is the sum of lines 590 to 592.

Page A5 - Non-Shelter Income (Loss)-Provincial Reformed

This schedule provides information regarding the revenue and expenses for the corporation's non-shelter component. The method to be used to allocate expenses to the non-shelter component is explained in the Accounting and Administrative Requirements section of this Guide.

This form has three columns as follows:

- 01 Care
- 02 Commercial & Other
- 03 Total

Non-Shelter Revenue

- 610 Commercial rent income
- 611 Grants from Ministry of Health and Long Term Care
- 612 Grants from Ministry of Community and Social Services
- 613 Other revenue (please describe nature of revenue)
- 614 Other revenue (please describe nature of revenue)
- 615 Total of lines 610, 611, 612, 613 and 614, which represents total non shelter revenue.

Non-Shelter Expenses, Operating Costs

- 620 Maintenance salaries, wages and benefits
- 622 Maintenance materials and services
- 622 Utilities
- 623 Administration
- 624 Other
- 625 Subtotal Non-Shelter Operating Expenses 620, 622, 623, and 624, which represent total non-shelter operating expenses
- 626 Municipal taxes
- 627 Mortgage payments (non-shelter portion of principal and interest)
- 628 Total of lines 625, 626 and 627, which represents total non-shelter expenses
- 629 Line 615 minus line 628, which represents net non-shelter revenue (loss)

Page A6 - Capital Reserve Fund (Housing)

Capital Reserve reporting should be broken out by Housing Program. i.e. Provincial Reformed, Section 95, etc. (columns can be added to break out additional programs if desired)

651 Balance of capital reserve fund at the beginning of the year. Amount from previous year's approved AIR, line 690

Revenue

652 Transfers from operations (line 547 or 1547 by program)
654 Income earned on capital reserve fund investments held during the year
655 All other adjustments or one-time funding applicable to the capital reserve during the year
660 Total of lines 651, 652, 654, and 655, which represents total revenue of capital reserve fund

Expenses

671 Expenditures from capital reserve fund. List by category or by item (elevators, stoves, etc.) (See Appendix B for assistance)
to
683 As above
685 Total of lines 671 to 683, which represent total expenses of capital reserve fund
690 Line 660 minus 685, which represent balance of capital reserve fund at end of year
695 Cash and investments held in capital reserve fund (from page A3, line 310)
699 Line 690 minus 695. If there is a difference greater than \$1,000, an explanation is required along with the corporation's plan to bring the fund into balance

Subsidy Calculations

Page D2 – Unit Activity Report – Section 103, 106, Rent Supplement

*Note: Page order has been changed for 2007 to accommodate housing providers who wish to populate this form first in order to complete lines 713 through 719 of **Page A7**. (See page 28 of the guide)*

Page D1 - Rents - Part VI SHRA RGI Rental Schedule

*Note: Page order has been changed for 2007 to accommodate housing providers who wish to populate this form first in order to complete lines 713 through 719 of **Page A7**. (See page 28 of the guide)*

Page A7 - General Subsidy - Part VI SHRA (Section 103)

Note: This page is to be completed by providers with projects governed by section 103 of the SHRA. (This calculation is for the first year only. Second and subsequent year calculations will be published in a further release)

I. Mortgage subsidy

- 701 Principal and interest expense (shelter only) (comes from line 550)
- 705 Affordable mortgage payment (from final benchmark or previous AIR)
- 706 Phase-in subsidy reduction as set out in section 103 (5) of the SHRA; only to be used where the service manager and housing provider have negotiated a phase-in of the reduction in subsidy
- 708 Line 705 minus line 706
- 709 Line 701 minus line 708, representing the mortgage subsidy

II. RGI subsidy

Page D1 – RGI Rental Schedule and Page D2 – Unit Activity Data Report

For 2007, order of pages has been changed to accommodate housing providers who wish to populate these two forms first. (At this point, **the provider may wish to complete Pages D1 Rents, and D2 UAD**, in order to populate lines 713 thru 719 of **Page A7**.) Units occupied and vacant for each month are reported for Rent Geared to Income and Market units by bedroom size. Benchmark Market Rent, applicable index and actual market rent must be entered by bedroom size must be provided on page D1. (See Page 27 in the Guide)

- 713 Indexed benchmark market rents for RGI units from Schedule D1, column 11
- 714 Actual market rents for RGI units from Schedule D1, column 11
- 715 Represents the lesser of line 713 and 714
- 718 Actual rental income from RGI units from Schedule D1, column 12
- 719 Line 715 minus line 718, representing the RGI subsidy

III. Mandatory Payment

- 725 Benchmark market rents for all units from Schedule D1, column 4
- 726 Indexed market rent for all units from Schedule D2, column 7
- 727 Benchmark vacancy loss from final benchmark letter
- 728 Benchmark non rental revenue from final benchmark letter
- 729 Indexed market rent revenue, lines 726 minus 727 plus 728
- 730 Benchmark revenue, lines 725 minus 727 plus 728
- 731 Excess of indexed market revenue over benchmark revenue, line 729 minus 730
- 732 Benchmark operating costs, from final benchmark letter

- 733 Operating expense ratio, (portion associated with costs to be retained by housing provider), line 731 times lines 732 divided by 730
735 Mandatory Payment, line 731 minus line 733

IV. Surplus repayment

- 741 Market rental revenue, which is the total rent received from market units, less vacancy loss, in projects governed by Part VI of the SHRA (from line 502 minus Line 505)
742 RGI rental revenue, which is the total rent paid by households in RGI units governed by Part VI of the SHRA (from line 501)
743 RGI subsidy, which comes from line 719 above
745 Subtotal of lines 741, 742 and 743
747 Investment income associated with projects governed by Part VI of the SHRA (line 521)
748 Non-rental income associated with projects governed by Part VI of the SHRA (line 522)
750 Total of lines 745, 747, and 748, which represents total revenue
751 Total of operating costs, which are all the operating costs for the shelter component of projects governed by Part VI of the SHRA (line 548)
752 Line 750 minus line 751, which represents net operating income per section 103 (11) of the SHRA.
755 Affordable mortgage payment, which comes from line 705 above
756 Mandatory payment, which comes from line 735 above
757 Operating reserve allowance, which comes from line 3085 or 3095, Page D3
759 Subtotal of lines 755 and 757
760 Line 752 minus line 759, which represents surplus calculated per section 103 (10) of the SHRA
762 50% of line 760, which represents surplus repayable
764 If the service manager decides to have the provider return less than 50% of the surplus, the dollar amount the service manager is allowing the provider to keep beyond the mandated 50% is inserted here
769 Line 762 minus line 764, which represents net surplus repayable. (zero or greater)

IV. Subsidy for the Year

This section determines the total amount of subsidy the provider is entitled to receive for the year for its projects governed by Part VI of the SHRA.

- 771 Mortgage subsidy, from line 709 above
772 RGI subsidy, from line 719 above
773 Actual property taxes for the year for projects governed by Part VI of the SHRA (line 549)
774 Any additional subsidy that may be provided by a service manager under section 111 of the SHRA
779 Subtotal of lines 771 to 774
781 Mandatory payment from line 730
782 Surplus repayment from line 769
783 Subsidy reduction under section 113 (9), which a service manager may charge if a

housing provider is late in returning its AIR. Enter the dollar reduction here.

785 Subtotal of lines 782 and 783

789 Line 779 less line 785, representing Net Subsidy Entitlement for the year

V. Current Year Settlement

This resolves any underpayment or overpayment of subsidy as a result of the reconciliation above.

791 This is the amount in line 789 - net subsidy for the year

792 This is the amount of subsidy paid as determined by the provider's annual estimate prior to the beginning of the fiscal year

795 Line 791 less line 792, which represents the current year settlement. If the amount is negative, the housing provider owes the service manager the amount on line 795. If the amount is positive, the housing provider is due money from the service manager

Page A8 - General Subsidy - Part VI SHRA - 100% RGI (Section 106)

I. Subsidy for the year

801 Benchmark operating costs for projects subject to section 106 of Part VI of the SHRA (from final Benchmark or previous AIR)

802 100% RGI housing providers operating cost index from O.Reg. 339/01, Table 3 (enter as displayed in table, ie 1.06750)

803 Indexed operating costs, line 801 times 802

806 Property taxes for projects subject to section 106 of Part VI of the SHRA (line 549)

807 Mortgage principal and interest for projects subject to section 106 of Part VI of the SHRA (line 550)

809 Subtotal of lines 803 to 807

811 Actual RGI rent revenue during the year for projects subject to section 106 of Part VI of the SHRA (line 501)

812 Non-Rental Revenue (including interest) (line 521 and line 522)

813 Surplus repayment as calculated below - from line 829 below

814 Reduction in subsidy per Section 112 (9)

816 Subtotal of lines 811 to 814

817 Any additional subsidy that may be provided by a service manager under section 111 of the SHRA

819 Line 809 minus line 816, plus line 817 which represent Net Subsidy Entitlement for the year for projects subject to section 106 of Part VI of the SHRA

II. Surplus repayment

821 Benchmark operating costs, from line 801 above

822 Actual operating costs for projects subject to section 106 of Part VI of the SHRA (line 548)

- 823 Operating reserve allowance, which comes from line 3107 or 3112
- 825 Subtotal of lines 822 and 823
- 826 Line 821 minus line 825, which represents surplus per section 106 (4)
- 827 50% of line 826, which represents surplus repayable to the service manager
- 828 If the service manager decides to have the provider return less than 50% of the surplus, the dollar amount the service manager is allowing the provider to keep beyond the mandated 50% is inserted here
- 829 Line 827 minus line 828, which represents the surplus repayment. This goes to line 813 above. (zero or greater)

IV. Current year settlement

- 831 This is the amount in line 819 – Net Subsidy for the year
- 832 This is the amount of total subsidy paid as determined by the provider’s annual estimate prior to the beginning of the fiscal year or as adjusted during the fiscal year
- 833 Line 831 less line 832, which represents the current year settlement. If the amount is negative, the housing provider owes the service manager the amount on line 833. If the amount is positive, the housing provider is due money from the service manager

Page B1 – Revenue and Expenses - All Programs except Provincial Reformed

This page captures the revenue and expenses for all Programs listed on Identification Page A1 (except Provincial Reformed). The subsidy entitlement for the MNP program is computed on Page B3 while all the remaining programs have various funding obligations. Line 1571- Subsidy settlement payable to Group (repayable to Service Manager) may or may not be applicable depending on the program.

- 1501 Rent from RGI households
- 1502 Rent from market rent households
- 1504 Subtotal of lines 1501 and 1502
- 1505 Actual vacancy loss on market units
- 1510 Line 1504 minus line 1505
- 1521 Income from investments (not capital reserves) and/or bank accounts.
- 1522 Income from all other sources. This includes all revenue, excluding rents, directly attributable to and earned from the assets of the shelter component, such as laundry and parking. It does not include revenue from non-housing programs or activities, gifts, donations, fundraising revenue and bequests, or net non-shelter revenue, which is to be, recorded either on lines 1575 or 1576
- 1523 Rent Supplement (i.e. OCHAP, CHSP, AHP, etc.) funding from Service Manager.
- 1525 Subsidy provided by the service manager during the fiscal year as dictated under the specific operating agreements. (These are actual subsidies paid (plus accrued) before the final settlement on line 1571)
- 1526 Other Subsidy - i.e. one time payments
- 1527 Other Subsidy
- 1530 The total of lines 1510, 1521, 1522, 1523, 1525, 1526 and 1527, representing Total

Revenue

Shelter Expenses (see Appendix A for further assistance)

- 1541 Maintenance and Administration - Enter detailed expenses on **Page B1 Schedules (below)** - maintenance salaries, wages, benefits, materials and services relating to building operations and administration (Total maintenance and administration is equal to line 1541)
- 1542 Utilities includes the costs of electricity, gas, oil, water and sewage – Enter detailed expenses on **Page B1 Schedules (below)** (Total utilities are equal to line 1542)
- 1543 Insurance – all insurance policies (excluding vehicle)
- 1544 Bad Debts – rent charged to tenants that is no longer collectible
- 1545 Other operating expenses
- 1547 Capital reserve contribution - current year allocation transferred to the Capital Reserve
- 1548 Subtotal Operating Expenses lines 1541, 1542, 1543, 1544, 1547
- 1549 Municipal property taxes
- 1550 Total mortgage payments, including interest and principal, but excluding the non-shelter portion of the mortgage
- 1551 Other shelter expenses
- 1565 Total Shelter Expenses - lines 1548 to 1561
- 1570 Net Shelter Income or (Loss) for the program calculated by subtracting line 1565 from line 1530
- 1571 Subsidy settlement- payable to the Group or (repayable to the Service Manager)
For the MNP program (column 581) **line 1690 from Page B3** is automatically linked. Columns 582 to 587 will vary depending on the funding requirements under the operating agreement. For example, under Section 26/27, when only Rent Supplement funds are being received, line 1571 is not applicable. Under the PNP (Sec 95), Public Housing, Urban Native (Pre and Post 86) Programs, the surplus from line 1570 would be repayable to the Service Manager while a deficit may possibly be paid to the Group if approved by the Service Manager
- 1572 Shelter Surplus (Deficit) after settlement - line 1570 plus 1571
- 1575 Gifts and donations received by the provider
- 1576 Non-Shelter Surplus (Deficit) (net). The net revenue (loss) related to any non-housing related program or activity that the provider may carry out. This cell is automatically linked to Page B2 Line 1629. This line is used to record the net financial result from these operations
- 1580 Program Net Income (Loss)-Line 1572, plus lines 1575 and 1576

Page B2- NON-SHELTER- All Programs except Provincial Reformed

All revenues and expenses relating to the non-shelter component for all programs, **except the Provincial Reformed Program**, are to be reported on this schedule.

The method to be used to allocate expenses to the non-shelter component is explained in the Accounting and Administrative Requirements section of this Guide.

Non-Shelter Revenue

- 1610 Commercial rent income
- 1611 Grants from Ministry of Health and Long Term Care
- 1612 Grants from Ministry of Community and Social Services
- 1613 Other revenue (please describe nature of revenue)
- 1614 Other revenue (please describe nature of revenue)
- 1615 Total of lines 1610, 1611, 1612, 1613 and 1614, which represents total non shelter revenue.

Non-Shelter Expenses, Operating Costs

- 1620 Maintenance salaries, wages and benefits
- 1621 Maintenance materials and services
- 1622 Utilities
- 1623 Administration
- 1624 Other
- 1625 Subtotal Non-Shelter Operating Expenses 1620, 1621, 1622, 1623, and 1624, which represents total non-shelter operating expenses
- 1626 Municipal taxes
- 1627 Mortgage payments
- 1628 Total of lines 1625, 1626 and 1627, which represents total non-shelter expenses
- 1629 Line 1615 minus line 1628, which represents non-shelter surplus (deficit) net

Page B3 – Unit Activity –Municipal Non-Profit Housing Programs

- Column Unit type – enter description, 1 bedroom apartment, 3 bedroom townhouse, etc.
- Column Months, enter units occupied and vacant for each month for total RGI and by unit type for market units

Page B4 – Subsidy Entitlement Calculation - Section 95 NHA – MNP

Operating Costs

- 1635 Previous year's budgeted operating costs associated with municipal non-profit projects governed by section 95 of the NHA
- 1636 Inflation factor from table, (bottom of page)
- 1640 Budgeted operating costs. Line 1635 times line 1636
- 1641 Actual operating costs for the year associated with municipal non-profit projects governed by section 95 of the NHA (line 1548 minus line 1547)

Allowable Costs

- 1645 The lesser of budgeted operating costs (line 1640) or actual operating costs (line 1641)
- 1646 Actual municipal taxes associated with municipal non-profit projects governed by section 95 of the NHA (line 1549)
- 1647 Actual mortgage payments associated with municipal non-profit projects governed by section 95 of the NHA (line 1550)
- 1648 Required capital reserve contribution associated with municipal non-profit projects governed by section 95 of the NHA (line 1547)
- 1650 Total allowable expenses- sum of lines 1645 to 1649

Revenue

- 1651 A rent inflation factor provided by the service manager, Rent Control Guideline amount
- 1652 Total number of market units associated with municipal non-profit projects governed by section 95 of the NHA (from unit activity)
Prior Year Minimum market rents are taken from last year's AIR, column D
- 1653 The minimum annual market rent for all market units associated with municipal non-profit projects governed by section 95 of the NHA. This is line 1651 multiplied by column B, and then the sum taken for all unit types
Column D is column A times column C times 12 to annualize amount
- 1654 This is the amount of vacancy loss that was budgeted
- 1655 Net minimum annual market revenue - line 1653 minus 1654
- 1656 Market rent revenue -actual rent received from all market rent units associated with municipal non-profit projects governed by section 95 of the NHA. Line 1502 (market rent) minus line 1505 (vacancy loss)
- 1660 Adjusted market revenue - greater of line 1656 and 1655
- 1661 Geared-to-income rent - actual rent received from all households receiving RGI subsidy. (line 1501)
- 1662 Non-Rental revenue –Income from all non-rental sources (including interest) associated with municipal non-profit projects governed by section 95 of the NHA. This includes all revenue, excluding rents, directly attributable to, and earned from the assets of the shelter component, such as laundry and parking. It does not include revenue from non-housing programs or activities, gifts, donations, fundraising revenue and bequests, or net non-shelter revenue, which are to be recorded on line 1575 and Schedule B2.
- 1665 Adjusted Total Revenue - total of lines 1660, 1661 and 1662

- 1680 Subsidy Entitlement - lines 1650 minus 1665.
- 1685 Subsidy Paid - budgeted subsidy paid under the MNP (Section 95 NHA) program – including the maximum federal assistance
- 1690 Settlement - payable to the Group (repayable to the Service Manager)

Part C – Statistical Information

Page C1 - Statistical Information

The form has 9 columns, each column represents a program. The unit of measurement is termed “household” or housing unit. The columns are set up and numbered as follows:

<u>Column #</u>	<u>Program Name</u>
01	Program 1 - Public Housing
02	Program 2 - Rent Supplement
03	Program 3 - Limited Dividend
04	Program 4 - Section 26
05	Program 4 - Section 27
06	Program 5 - Section 95 PNP
07	Program 5 - Section 95 MNP
08	Program 6 - Provincial Reformed Programs
09	Program 7 – Post - 1985 Urban Native
10	Program 8 – Pre - 1986 Urban Native

I. Households assisted by program type

RGI households with income at or below the HILs (Housing Income Limits)

2101 The number of targeted households assisted by each program as at the end of the year. A targeted household is a household receiving RGI assistance with an income below the local household income limit (HIL) for the size of unit

Non-RGI households and RGI households with incomes above the HILs

2105 The number of non-targeted households assisted by this program as at the end of the year.
2106 Vacant units at year end
2107 Total households by Housing Program

II. Household types assisted and average gross incomes

Families

(Families include households with more than one member where at least one member is below 60. Do not include households where one or more individuals are receiving support services.)

RGI households with incomes at or below the HILs

2111 Total number of family households surveyed
2113 Average annual gross household income surveyed (in dollars) of households with incomes at or below the HILs receiving rent-geared-to-income assistance

Non-RGI households and RGI households with incomes above the HILs (non-targeted)

2115 Total number of non-targeted households surveyed

Seniors

(Seniors are households where all members are 60 or older.)

RGI households with incomes at or below the HILs

2121 Total number of targeted senior households surveyed

2123 Average annual gross household income surveyed (in dollars) of households with incomes at or below the HILs receiving rent-geared-to-income assistance

Non-RGI households and RGI households with incomes above the HILs (non-targeted)

2125 Total number of non-targeted households surveyed

Non-elderly singles

(Households which have only one member are younger than 60, and are not receiving support services)

RGI households with incomes at or below the HILs

2131 Total number of targeted households surveyed

2133 Average annual gross household income surveyed (in dollars)

Non-RGI households and RGI households with incomes above the HILs (non-targeted)

2135 Total number of non-targeted households surveyed

Special Needs

(Special needs households are those in which support or care services are being provided. These services include on-site medical or nursing care, counselling on a regular basis, on-site support services due to physical, social, or emotional condition or disability.)

RGI households with incomes at or below the HILs

2141 Total number of targeted households surveyed

2143 Average annual gross household income surveyed in dollars

Non-RGI households and RGI households with incomes above the HILs (non-targeted)

2145 Total number of non-targeted households surveyed

III. Additional Requirements

This program requires additional information identifying “Actual units at year end” in the following categories:

2151 Households whose household income is at or below the local HIL established in O. Reg. 368/01. This amount comes from line 2101

2152 Number of high need households. (See the definition in the SHRA.) The criteria for high need households can be found in O. Reg. 368/01

2153 Units modified to provide physical accessibility

2154 Households requiring support services

Page C2 - Targeting Plans

The information on this schedule is required to allow the service manager to assess the corporation's compliance with the waiting list requirements set out in the SHRA, and/or outlined

in the operating agreements. Only providers under Part III or Part VI of the SHRA or with rent supplement agreements are required to fill in this page. The schedule has two sections:

- I.) Minimum RGI Unit Requirements
- II.) Move-outs and Vacancies

I. Minimum RGI Unit Requirements

For projects under Part III or Part VI of the SHRA, or with rent supplement agreements, the corporation is required to ensure that a specific number of the units in each project are occupied by RGI households as outlined in the corporation's targeting plans for those projects. The corporation shall enter the required number of RGI household occupied units and the actual number of units occupied by RGI households at the corporation's year end.

II. Move-outs and Vacancies

The move-outs and vacancies information should be recorded for all projects under Part III, Part VI, and/or with rent supplement agreements.

Record the number of tenant move-outs during the year for geared-to-income, market and special needs units.

Record the total number of vacant unit months for RGI, market and special needs units.

Record the total number of vacant units at year end for RGI, market and special needs units.

Record the number of special needs units which were filled with households which did not require the modifications or the services associated with those units.

Part D - Supporting Subsidy Calculations

Note: Only providers with projects under Part VI of the SHRA complete page D1, D2 and D3.

Page D1 - General Subsidy - Part VI SHRA - RGI Rental Schedule

Column	Project name or address, field is populated from project field on D2 sheet
Column 1	Unit Type - 1 bedroom apartment, 3 bedroom townhouse, etc (Populated from D2)
Column 2	The 2006 initial benchmarked units by bedroom size as established in the notice from the ministry (from D2 total column for RGI and market divided by 12)
Column 3	The 2006 initial benchmarked market rent by bedroom size as established in the notice from the ministry
Column 4	The 2006 total initial benchmark market rents by bedroom size (column 2 times column 3 times 12 to annualize amount)
Column 5	The 2007 Market rent index as established by the ministry (see SHnotification 06-06 (enter figure as displayed directly from the notice i.e. Barrie CA Row, Row (Townhouse) column - enter 2.6)
Column 6	The 2007 indexed benchmark market rent by bedroom size (column 3 times column 5)

Column 7	The 2007 total indexed benchmark market rents by bedroom size (column 2 times column 6 times 12 to annualize amount)
Column 8	The 2007 actual total monthly market rents by bedroom size
Column 9	Total number of occupied months for RGI units by bedroom size (D2 total column by bedroom size)
Column 10	Actual market rents for RGI units by bedroom size. (Column 8 times column 9) (see Accounting and Admin. Requirements - Section 9)
Column 11	The indexed benchmark market rents for RGI units by bedroom size (column 6 times column 9)
Column 12	The actual rental income received from RGI households by bedroom size if available (total will suffice, amount comes from line 501)

Page D2 – Unit Activity Data Report – Provincial Reformed Sections 103, 106, and Rent Supplement

This page applies to housing providers governed by Part VI of the SHRA. Units occupied and vacant for each month are reported for Rent Geared to Income and Market units by bedroom size. The total columns are used to calculate RGI and Market revenue on Page D1. Strong Communities Rent Supplement units should be shown here as market (see Accounting and Admin. Requirements - Section 9 for definition of Market and RGI units)

Page D3 - General Subsidy - Part VI SHRA - Operating Reserve

This page applies to housing providers governed by Part VI of the SHRA. This page is used to determine how much of the current year surplus, if any, is to be shared with the service manager. **If the provider has achieved \$300 per unit in its accumulated surplus account at the beginning of any previous fiscal year since the termination of its operating agreement, the provider is not allowed to use the operating reserve allowance from that point forward.**

Line 3000	Click cell to activate drop down box, enter Yes if at the beginning of any fiscal year since the termination of the provider's operating agreement(s), the provider has had an accumulated surplus of \$300 per unit or greater. Otherwise enter No. If Yes is entered, no further lines need to be filled in
Line 3002	Only includes Accumulated Shelter Surplus (Deficit) for Provincial Reformed projects. This number will not necessarily equal the beginning accumulated surplus per the audited financial statements. (Confirm with your Service Manager)
Line 3025	This is the total number of units relating to the Provincial Reformed Projects and is populated from page A1
Line 3030	This is the allowable operating reserve per unit. It is set at \$300 per unit in O. Reg. 339/01
Line 3035	This determines the total allowable operating reserve, which is \$300 times all the units. It is calculated by multiplying line 3025 times line 3030

The following section, from line 3040 to line 3095, does not relate to 100% RGI portfolios. By

answering “Yes” on Identification page A1, under Section 103 or 110 of the SHRA, lines 3040 to 3095, are automatically calculated from the information on page A7.

- Line 3040 Accumulated Surplus, beginning of year, from line 3002
- Line 3045 Net Operating Income, from line 752 on page A7
- Line 3047 Affordable mortgage payment, from line 705 on page A7
- Line 3048 Mandatory Payment, from line 735
- Line 3060 Subtotal of Accumulated Surplus, Net Operating Income less Affordable Mortgage Payment. Line 3040 plus 3045 less line 3047 and 3048
- Line 3070 Operating Reserve Eligibility Determinant - The amount used to determine if the provider is eligible for an operating reserve allowance, which would mean that not all of the current year’s surplus would have to be shared with the service manager. If the provider has ever achieved a combined surplus of \$300 per unit or greater, all the current year’s surplus would be shared with the service manager, even if this calculation shows that the provider is eligible. The amount in this line is determined by taking line 3035 and subtracting from it line 3060

The following three lines only apply if the amount in line 3070 is zero or a negative amount.

- Line 3075 Total allowable operating reserve, from line 3035
- Line 3080 Accumulated surplus at the beginning of the fiscal year, from line 3040
- Line 3085 Operating Reserve Allowance - line 3075 minus line 3080 (transferred to line 757 on page A7)

The following three lines only apply if the amount in line 3070 is a positive amount.

- Line 3090 Net Operating Income from line 3045
- Line 3091 Affordable Mortgage Payment from line 3047
- Line 3092 Mandatory Payment, from 3048
- Line 3095 Operating Reserve Allowance - line 3090 minus line 3091, if the amount is a negative amount, it is not considered, a positive amount is transferred to line 757 on page A7

The following sections (line 3100 to line 3112) apply only to Providers listed in Table 3 of O. Reg. 339/01 (100% RGI providers) *By answering “Yes” on Identification page A1, to 100% RGI (Section 106) of the SHRA, lines 3100 to 3112, are automatically calculated from the information on page A8.*

- Line 3100 Accumulated Surplus, beginning of year , from line 3002
- Line 3101 Indexed benchmark Operating Costs, from line 803 on page A8
- Line 3102 Actual operating costs, from line 822 on page A8
- Line 3103 Difference - line 3101 minus line 3102
- Line 3104 Operating Reserve Eligibility Determinant – line 3035 minus (line 3002 plus line 3103), the amount is used to determine if the provider is eligible for an operating reserve allowance, which would mean that not all of the current year’s surplus

would have to be shared with the service manager. If the provider has ever achieved a combined surplus of \$300 per unit or greater, then the entire current years surplus would be shared with the service manager

The following three lines are completed if the amount in line 3104 is zero or a negative amount.

- Line 3105 Total allowable operating reserve, from line 3035
- Line 3106 Accumulated surplus at the beginning of the year, from line 3002
- Line 3107 Operating reserve allowance, line 3105 minus line 3106. The amount in this line is transferred to line 823 on page A8

The following three lines are completed if the amount in line 3104 is a positive amount.

- Line 3110 Benchmark operating costs, from line 3101
- Line 3111 Actual operating costs, from line 3102
- Line 3112 Operating reserve allowance, line 3110 minus line 3111. The amount in this line is transferred to line 823 on page A8

APPENDIX A

SHELTER EXPENSES

The following list is provided as a guide for categorizing shelter expenses. It is not an exhaustive listing of possible expenses but an illustration of the types of expenses to be included in each grouping. Note that GST expense should be reported with the related cost while recoveries would offset that same cost. Service Managers may have already provided housing providers with their own list of items to be included in each expense category. If in doubt, please check with you Service Manager on the recording of expense items.

Line 541 and 1541- MAINTENANCE AND ADMINISTRATION

Maintenance salaries , wages and benefits (labour costs)

Salaries, wages and benefits: personnel costs for repairs and maintenance functions, including living or accommodations allowances

Building and equipment (maintenance)

Building repair

-Concrete, asphalt, masonry, railings (balcony railings, privacy screens), floor repairs and refinishing, locking systems, roof repairs, roof anchor inspections, walls and ceilings

Equipment repairs

-Appliances, garage doors, laundry equipment, signs, television, and vehicle maintenance (including insurance)

Contract Services

-Carpet and drapery cleaning, duct cleaning, garage cleaning, janitorial services, pest control, window washing

Purchases of:

-Fasteners, screws, tape, clamps, garbage bags, first aid kits, hardware, drywall, masonry materials, health and safety clothing and equipment, janitorial cleaning materials and equipment, keys and locks, light bulbs, lumber and carpenters materials, small tools

Energy conservation

Elevators

-contract inspection and maintenance, dedicated telephone line charges and monitoring, licenses and fees, repairs

APPENDIX A

Continued

Electrical Systems

-Inspections and testing, including thermo graphic scanning

Repairs and maintenance of automatic door closers, electrical heating, emergency lighting, exterior lights, fixtures, generators, interior lighting, parking ramp heaters and wiring
Supplies of batteries, fuses, cover plates, light fixtures, outlets, switches, timers and photocells.

Heating, air conditioning, ventilation and plumbing (systems service and repairs) (including service contracts)

-Fan coils, filter replacement, chillers, incremental units, motors and controls, piping and air circulation systems, boilers, exhaust systems, heat pumps, humidifiers, zone valves, pumps, furnace cleaning, domestic hot water heaters, circulation pumps, valves, drains, fixtures and fittings, piping insulation, duct insulation, fan belts, motors and controls, heat exchangers, pressure regulators, septic and sprinkler systems, water treatment equipment **(if well-water testing was benchmarked here then the cost should be reported here – check with your Service Manager)**

Grounds (equipment purchases and repairs and services) including:

-Edgers, hedge trimmers, lawn mowers, small tools, shovels, rakes, trimmers, snow blowers, tractors (repairs only) watering devices, catch basin cleaning, garden and lawn care including planting, weeding, soil enhancement, cutting, resodding, aerating, thatching, fertilizing, herbicide and pesticide treatment, tree pruning, removal, replacement and treatment. Also included is the maintenance of fences, flags and flag poles, playground and recreation equipment, fuel for equipment, salt, sand, top soil, plants and plant care products. Snow removal and grounds contracts are reported here.

Painting (labour and material costs)

-Cyclical painting of units, common areas, building exterior, including move-out and touch-up painting including, brushes, rollers, caulking, cleaning materials, paint, protective sheeting

Waste Removal

-Contract costs for waste removal, dumping fees, cartage costs, rental or purchase of bulk lift containers as well as repairs to bulk lift containers, garbage bins and shuts, garbage compactors

Security

-Contracts for security guards, purchase of fire extinguishers and fire protection systems, camera and intercom system repairs, smoke and heat detectors as well as security tenants and on-call committees

APPENDIX A

Continued

Other

-Equipment rentals, incremental unit rentals and water heater rentals, etc, etc, etc.

Administration

Salaries, wages and benefits

-all shelter payroll costs other than those for repairs and maintenance

Management fees

-charged by external management companies for management services

Materials and Services

-Communication costs such as answering service, pager rental, newsletter production, advertising for vacancies, personnel or tenders, telephone line charges and telephone equipment rentals. Computer equipment leases, computer software and supplies, bank charges and interest as well as periodicals, publications

-Office and general costs such as postage, printing, stationery, supplies, office supplies, office rent and meeting room rental, equipment rental, corporate memberships, courier and delivery

-Professional services such as audit fees, consulting fees, legal fees, collection fees, accounting and bookkeeping fees

-Staff training and education

Other

-Administration costs such as car allowances, travel expenses, conference fees, ONPHA/CHF Canada dues and fees, Board of Directors and tenant education

Line 542 and 1542- UTILITIES

Electricity, heating fuel and natural gas consumed for heating as well as water and sewage charges. **(if well-water testing was benchmarked here (under water) then the cost should be reported here as well – check with your Service Manager)**

Line 543 and 1543- INSURANCE

All insurance policies, including fidelity bonding (exclude vehicle insurance)

Line 544 and 1544– BAD DEBTS

Rents charged to tenants which are no longer considered collectible

Line 545 and 1547– Capital Reserve - from Benchmark

APPENDIX B CAPITAL EXPENDITURES

Line 549 and 1549– Property taxes – (levied by Municipality)

Line 550 and 1550– Mortgage principal and interest
(excluding sector and non-shelter portion)

This appendix has been developed to provide some guidance to corporations when determining which expenditures should be charged to the Capital Reserve Fund and which are operating costs. The following is not a definitive or comprehensive listing but an illustration of the treatment of the various types of expenditures.

Appliances

Purchases of major appliances (such as refrigerators and stoves) are capital expenditures

Building Components

The replacement or upgrades of major building components are capital expenditures. Some examples are as follows:

- complete bathroom upgrade such as the replacement of all fixtures and installation of new tile
- major elevator upgrade
- flooring and carpet replacement
- furnace replacement
- roof replacement due to long term deterioration
- windows replacement

Regular maintenance items, which are required at fairly short term intervals, due to normal wear and tear, are operating costs which include: caulking, elevator repairs, painting, faucet replacement, rectifying deficiencies from move-outs and annual inspections.

Furniture

Purchases of furniture for common areas are capital expenditures

Grounds

Construction of walkways, fencing and significant site upgrades such as re-grading or construction of retaining walls are capital expenses.

Re-sodding parts of the grounds, planting or removing trees, shrubs or flowerbeds, repairing fences, pruning trees and other general grounds maintenance items are operating costs.

Office Equipment

Purchases of office equipment (such as computers and photocopiers) are capital reserve expenditures.

APPENDIX B
Continued

Paving/asphalt

Paving of driveways and parking lot areas, or other jobs that involve upgrading, laying stone and reconstruction work are capital expenditures.

Repairs to asphalt to restore it to efficient operating conditions are operating costs.

Vehicles and other equipment

Purchases of vehicles, mowers or other large equipment are capital expenditures.