



County of Wellington

Social Services Department – Housing Services

DIRECTIVE

Directive Number: 2024-05

Effective Date: May 1, 2024

This directive has been developed by the County of Wellington in its role as Consolidated Municipal Service Manager (CMSM) and applies to housing providers funded under the following social housing programmes:

- Service Manager Funding Agreement (Post EOA and Post EOM)
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Subject Accounting Principles

Legislative Reference Housing Services Act, 2011, Ontario Regulation 367/11 and Ontario Regulation 369/11

Background

Housing provider financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for not-for-profit organizations.

Direction

The requirements and basis of accounting for the treatment of the capital reserve fund may differ from GAAP. Financial statements should be prepared in accordance with the accounting policies set out below:

- Investments held in the capital reserve fund are recorded at book value rather than fair market value regardless of investment type;
- Unrealized gains and losses on investments are not recorded;
- Capital assets purchased from the replacement reserve are charged against the replacement reserve account in the year they are incurred, rather than being capitalized on the balance sheet and amortized over their estimated useful lives; and
- Revenue related to capital assets purchased from the replacement reserve is charged against the replacement reserve account, rather than being recognized on the statement of revenues and expenses.

The auditor must include a note to the financial statements regarding any departure from GAAP.

This Directive is effective immediately.

If you require additional information, please contact the Housing Programme Advisor.

A handwritten signature in blue ink, appearing to read "Mark Poste".

Mark Poste
Director of Housing