



County of Wellington
Wellington and Guelph Housing Services

DIRECTIVE

DATE: April 29, 2009

NUMBER: 2009-04

This directive applies to housing providers funded under the following social housing programs:

Please note if your program is not checked, this communication is not applicable to your project(s).

<input checked="" type="checkbox"/>	Provincially Reformed Non-Profit Housing Programs (MNP, PNP & OCHAP)
<input checked="" type="checkbox"/>	Provincially Reformed Co-operative Housing Programs (Co-ops)
<input checked="" type="checkbox"/>	Municipal Non-Profit Housing Program (Section 56.1 Pre-1986)
<input checked="" type="checkbox"/>	Local Housing Corporation (LHC)
<input checked="" type="checkbox"/>	Federal Non-Profit Housing Program (Section 56.1 Pre-1986)

SUBJECT: Treatment of Financial Investments

LEGISLATED REFERENCE: *SHRA, 2000, s.113 (2) and Related O.Reg. 339/01, s. 36*

BACKGROUND:

A new standard regarding the accounting for and disclosure of financial investments was issued by the Canadian Institute of Chartered Accountants (CICA) in 2008. To be in compliance with Generally Accepted Accounting Principles (GAAP) this standard must be adhered to.

The new standard requires that investments such as capital reserve fund balances be recorded at fair market value rather than at book value.

DIRECTION:

Housing Providers should disregard the CICA handbook change and continue to record capital reserve balances at book value. The auditor must include a note to the financial statements regarding this departure from GAAP.

If your group has complied with the new standard and record the capital reserve balance at fair market value in the current year end please have your auditor include a note to the financial statements which provides details on the book value. Book value is required to allow for reconciliation with the current funding model.

If you have any questions, please contact Shauna Calder, Financial Analyst at Ext. 4260.

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