

Program Instructions



N° 2008-02

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

- Public Housing
- Provincial Reform Housing Programs
- Municipal Non-Profit Housing Programs
- Federal Unilateral Housing Programs
- Rent Supplement - Commercial
- Rent Supplement - OCHAP & CSHP
- Rent Supplement Homelessness

Subject **Treatment of Financial Investments**

Authority S. 113 (2) of the *Social Housing Reform Act, 2000 (SHRA)*
S. 36 of O. Reg. 339/01

Effective Date Immediately

Background In 2008, the Canadian Institute of Chartered Accountants (CICA) issued a new standard with the accounting for and disclosures related to financial investments with non-profit organizations.

This change would require housing providers to record investments such as Capital Reserve Fund balances, at the current market value. Housing providers would need to calculate the market value of their investments and book any loss or gain in that year in the statement of operations.

What You Need To Do Disregard the CICA change. Continue to record your investments at book value (that is, record the investment to equal your actual cash contribution to the reserve fund). Your auditor will have to make a note regarding the exception to GAAP to your financial statements.

Record any gains or losses at the time of redeeming the investment, not on an annual basis using the current market trend.

Please contact your Program Co-ordinator if you have any questions.

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