



Durham Community Housing Directives
Housing Services Division | Financial Services
605 Rossland Rd E, Whitby L1N 6A3
905-668-7711 | 1-800-372-1102 | durham.ca

Subject:	Annual Information Return Template (AIR) and Surplus Sharing
Directive Number:	FIN 2021-01
Date:	April 8, 2021

Purpose

To provide an updated Annual Information Return (AIR) that permits Community Housing Providers governed by the Housing Services Act, 2011 (HSA) to retain 100 per cent of their in-year operating surpluses, effective with all fiscal years commencing on or after January 1, 2020.

Background

On November 25, 2020, Regional Council considered and approved a report recommending a change of policy to permit Community Housing Providers to retain 100 per cent of their in-year operating surpluses.

Effective with fiscal years commencing on or after January 1, 2020, the 50 per cent portion of surplus sharing that would have otherwise been returned to the Region will now be retained by a Community Housing Provider. This amount is to be recorded as an additional contribution to the Housing Provider's Capital Reserve in the fiscal year.

Updated AIR Template

The [AIR Template](#) has been updated to automatically calculate and record the 50 per cent share of the operating surplus as a contribution to the Capital Reserve for all fiscal years commencing on or after January 1, 2020. No manual input will be required when using the updated AIR Template.

This additional contribution to the Capital Reserve remains subject to the same capital spending requirements as provided for in Appendix B of the attached Annual Information Return (AIR) Guide.

An updated [AIR Template](#), [AIR Guide](#) and [Checklist](#) are attached.

Ongoing Reporting Requirements

Community Housing Providers will continue to adhere to the following year end reporting requirements for preparation of the AIR and financial statements:

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2463.

1. RGI vacancy loss is to be reported as a separate and distinct line item in the AIR.
2. The subsidy calculation in the AIR must be completed first in order to include the final subsidy amount in the financial statements.
3. Annual amortization expense for the Capital Assets reported in the Statement of Operations is equal to the principal repaid on the related mortgage during the reporting period.
 - a. In calculating the principal repaid, an amount equal to the mortgage principal amount paid on the first of the month following the year end is to be accrued.
 - b. Capital assets acquired subsequent to the date of the Statement of Final Capital Costs are to be expensed as incurred and funded from the capital reserve.
 - c. The net book value of the land, buildings and equipment at year-end will be equal to the remaining principal balance of the related mortgage.

Please ensure that your auditor is aware of the Region of Durham's reporting requirements.

Community Housing Providers governed by the HSA must submit their annual reports and year end reporting package to the Region of Durham's Finance Department within five months of their fiscal year end.

The year-end financial reporting package must include all of the following documents:

1. Audited Financial Statements, signed by two authorized board members.
2. Complete AIR, signed on page A1, by two authorized board members.
3. Management letter from the auditor, if issued, or provide confirmation that a management letter was not issued.
4. Updated evidence of insurance coverage, that includes the appropriate indemnification of the Region of Durham, in accordance with local Directives.
5. Worldsource statements that coincide with the fiscal year-end date.
6. A detailed list or general ledger printout of both the Market and RGI units that were vacant at any time during the year that reflects the total dollar amounts as reported at Lines 505 and 506 of the AIR.
7. A current mortgage amortization schedule.

8. The details of any leases, loans or contracts related to new capital items.
9. Checklist (PDF) to ensure that all of the above requirements have been met and are attached to the year-end filing submission.

Once complete, please ensure the year-end reporting package is forwarded to:

Region of Durham
605 Rossland Road East, PO Box 623
4th Floor – Finance Department
Whitby, ON L1N 6A3
Attention: Financial Services

We also encourage the electronic submission of your year-end reporting package. Please contact your Senior Financial Analyst to make these arrangements.

Effective Date

This new policy is effective for all fiscal years commencing on or after January 1, 2020.

Repealed Directive

This directive replaces Directive FIN 2013-02 - Annual Information Return.

Legislative Authority

Housing Services Act, s. 78(1), s. 81
Ontario Regulation 369/11, Part II and Part III.