Housing Services Corporation
2013 ANNUAL REPORT

Our Mission
HSC is committed to ensuring that Ontario residents have access to safe and affordable housing that improves their quality of life.

We support this by focusing on the long-term health and sustainability of Ontario's social housing asset.

Letter from the CEO & Chair

In HSC's 2012 Annual Report, we identified four key business goals for 2013. These were:

- Re-establish financial stability
- Continue to develop competitive, revenue-generating programs
- Help HSC clients better manage their housing portfolios
- Build strong client loyalty

Achieving these goals in the past year was challenging because HSC needed to reset itself as an organization. But we're pleased to report on the progress we've made. Part of this involved making a number of internal changes to ensure our long-term viability and continued contribution to Ontario's social housing sector – such as reducing our overall staff complement, better integrating our energy services offerings and refining our IT capacity. We also made important improvements to our core energy and insurance programs to allow us to deliver these services in 2014 at lower costs and encourage provider best practices in energy and risk management.

We didn't stop there. Utilizing our unique position and expertise in the sector, we forged several new partnerships to address business gaps in the sector:

- We worked with the United Kingdom's **Chartered Institute of Housing** (CIH) and in consultation with our local sector stakeholders to launch CIH Canada and lay the foundation for a unified educational standard for housing professionals.
- We partnered with **Yardi Systems** to develop HSC InSite, an affordable online property management system for Ontario's small to mid-sized social housing providers.
- We worked in hand-in-hand with a number of clients, providing direct support in a variety of areas such as regeneration planning, the impacts of end of operating agreements, public consultations for long-term housing plans and examining affordable housing financing.

The response from our clients on our efforts confirms we're on the right track. The work continues. In 2014, HSC will continue to work towards bolstering its financial stability to weather any future storms and continue building on the foundations that we established in 2013 to better meet the needs of our clients. We'll also work with sector stakeholders, clients and our board in developing HSC's strategic plan for next three years. Our goal is to continually provide valued support and services to the housing sector as the operating landscape changes and evolves.

We look forward to an exciting year ahead.

Howie Wong,
Chief Executive Officer

Roger Maloney,
Board Chair (2013)

HSC: Who We Are

HSC is committed to ensuring that Ontario residents have access to safe and affordable housing that improves their quality of life.

We support this by focusing on the long-term health and sustainability of Ontario's social housing asset.

Mandated Objects under the *Housing Services Act*

1. To improve the operation and efficiency of housing providers

2. To improve the long-term sustainability and viability of the physical assets

3. To improve the quality of life of residents

HSC Corporate Structure

Housing Services Corporation has three wholly-owned subsidiaries:

- **SHSC Financial Inc. (SHSCFI):** An Ontario Securities Commission registered Investment Fund Manager. SHSCFI manages the capital reserve investment program for participating housing providers as mandated by the Province of Ontario's *Social Housing Reform Act* (2000) and the subsequent *Housing Services Act* (2011).
- **SoHo Insurance Inc.:** A RIBO-licensed broker that gathers data, issues invoices and collects premiums on behalf of the HSC Group Insurance Program and also acts as the broker for tenant insurance and other insurance programs for the social housing sector.
- **Green Light on a Better Environment (GLOBE) Inc:** A company that develops and administers money-saving energy management programs for the affordable housing sector that also benefit the environment and resident well-being

Each subsidiary is currently incorporated as a for-profit entity under the *Business Corporations Act of Ontario* (OBCA) and has its own board of directors that manages under their own respective regulations and by-laws.

Procurement Policy

HSC is committed to open, fair and transparent procurement processes. In keeping with provincial and municipal best practices, HSC's procurement policies require that:

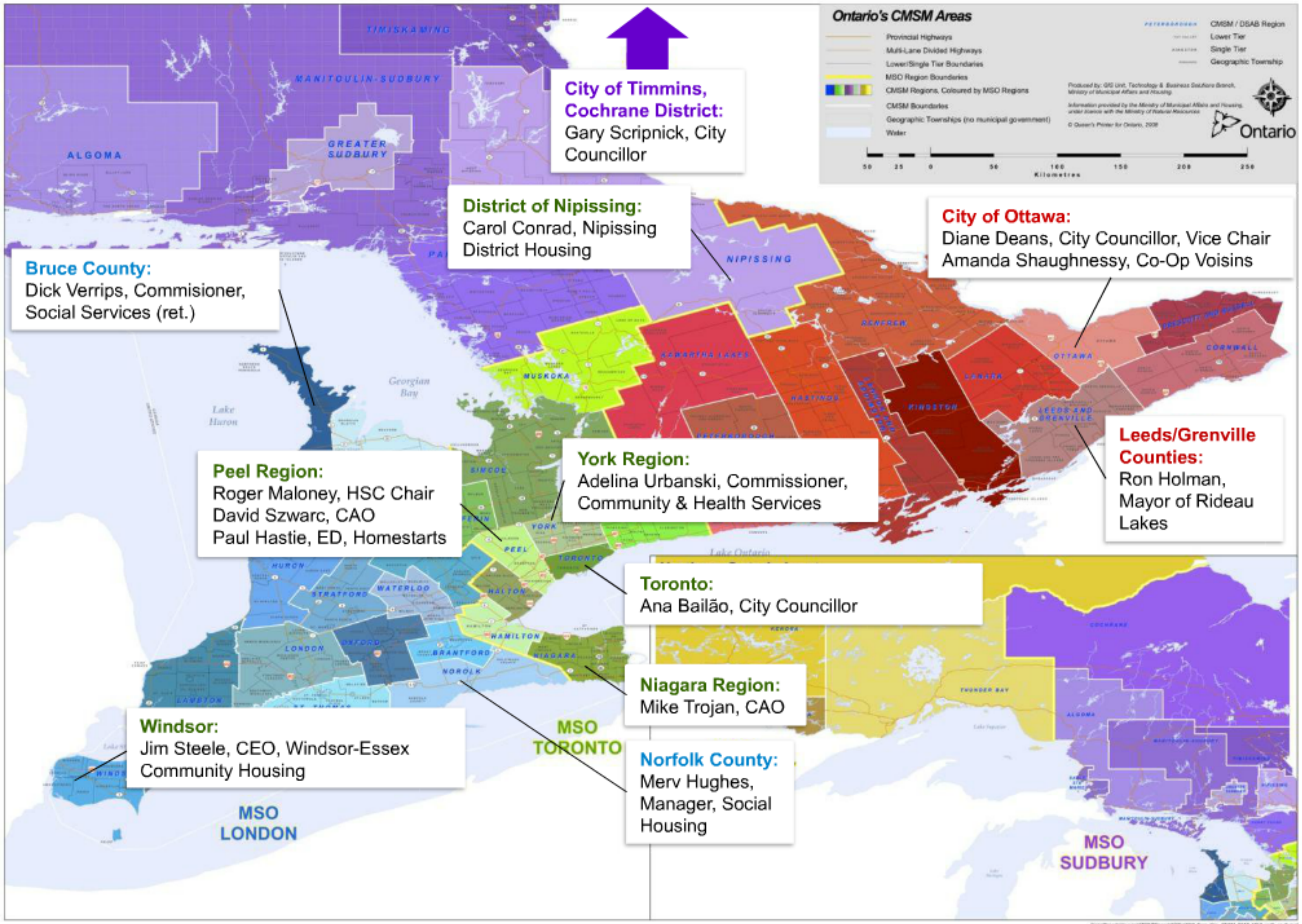
- Contracts valued between $10,000 and $24,999 utilize a competitive process that requires a minimum of three quotes
- Contracts valued at $25,000 or more must use an open and formal request for proposals (RFP) process.
- Open competitive procurements of $25,000 or more are advertised by HSC on its website and on electronic tendering systems, such as MERX
- HSC employees managing procurements and contracts do not receive benefits of any kind, directly or indirectly, from any vendor. Vendors must not have any conflict of interest that may give them an unfair advantage in bidding on HSC contracts

Working with Ontario's Affordable Housing Community

To meet the needs of Ontario's social housing sector, HSC works closely with clients and stakeholders from across the Province in the design, development and evolution of its programs. We also work with like-minded organizations at the national and international level to share best practices and advance Ontario's housing sector.

HSC is governed by a board of directors that is made up of members of Ontario's housing community, including Service Managers, housing providers and provincial representatives. We thank our valued board members for their hard work and support during 2013.

In 2013, the Board said goodbye to **Colin Gage**, **Trevor Lester**, **Bill Thake**, **Michelle Wong** and **Giorgio Mammoliti**. HSC welcomed **Jim Steele**, **Carol Conrad**, **Ron Holman** and **Ana Bãilao**.



HSC Board

Board Advisory Committees

Service Manager Advisory Committee

Deb Daigle, Cornwall
Bob McKnight, Hamilton
Sylvia Patterson, York
Shelley Wilkins, Chatham-Kent
Denis Desmeules, Greater Sudbury
Leo Deloyde, Nipissing
Brian Marks, Cochrane
Stephen Arbuckle, Ottawa
Rob Cressman, Toronto

Insurance Advisory Committee

Carol Conrad, Nipissing District Housing
David McCarron, Ottawa Community Housing
Gerry Moss, Port Elgin Rotary NP Housing
Gord Montgomery, Montgomery Property Management
Helen Trajanos, Toronto Community Housing
John McDonald, Peel Region
Linda Stephenson, Cooperative Housing Federation of Canada
Amanda Shaughnessy, Coop Voisins

SoHo Insurance Board*

Don McCausland, Chair
Michael Harding, Vice Chair
Ronald Roidi , Principal Broker
Howie Wong, HSC CEO

SHSC Financial Board

Nicholas Gazzard, Cooperative Housing Federation of Canada
Keith Ward, Commissioner of Human Services, Peel Region (ret.)
Lois Fine, YWCA Toronto
Dino Chiesa, Wyse Meter Solutions
Nancy Collyer, Lewis & Collyer
Trevor Lester, Bayshore Property Management
Stewart Pearson, Strategic Mortgage Capital
Jim Steele, Windsor-Essex Community Housing
Howie Wong, HSC CEO

GLOBE Board*

Colin Gage, Victoria Park Community Homes (Chair)
Roger Maloney, HSC Board Chair
Howie Wong, HSC CEO
Judy Lightbound, HSC CAO

HSC-Led Sector-Based Groups

Social Housing Resource Committee

Steve McGuire, Property Manager, Sault Ste. Marie
Bob Aykler, Property Manager, Toronto
Anne Babcock, Woodgreen Community Centre, Toronto
Betty Ann Baker, Niagara Peninsula Homes
Carol Barber, Cochrane DSSAB
Shari Guinta, Property Manager, Waterloo
Catherine Jolliffe, Northtown Co Op, Welland
Aaron Lynes, Victoria Park Community Homes, Hamilton
Karen Maki, Property Manager, Sudbury & North Bay
Barb Moss, Property Manager, London
Janet Rose Jump, Property Manager, Waterloo
Lori Simpson, Property Manager, Ottawa
Ray Sullivan, Centretown Citizens, Ottawa
Kim Weiman, Community Housing Management Network, Toronto
Petr Bakus, Homestarts
Don Tront, Property Manager, Metis Nation

Independent Local Housing Corporation Group

Susan Rath-Wilson, Ottawa
Jim Steele, Windsor-Essex
Hugh Lawson, Toronto
Peggy Fulton, Cornwall
Mary Lynn Cousins Brame, Kingston
Brenda Osbourne, Hamilton
Carol Conrad, Nipissing
Christine Brutin, Haldimand-Norfolk
Darlene Cook, Peterborough
Susan McCormick, Elgin & St. Thomas
Steve Matthew, London & Middlesex
M. Mwarigha, Peel
Marc Scarfone, Greater Sudbury

HSC Gas Program Customer Advisory Committee

Sean Botham, Hamilton
Janice Campbell, Windsor-Essex
Jeff Barban, Sault Ste. Marie
Steve Broadhurst, Manitoulin-Sudbury
Christine MacDonald, Bruce
Sondra Fitzgerald, Peterborough
Colin Gage, Victoria Park Community Homes
M. Mwarigha, Peel
Paul Roszell, London & Middlesex
Philip Jeung, Toronto
Keri Greaves, Thunder Bay
Carol Conrad, Nipissing
Brian Marks, Cochrane

Community Champions Network

Residents and housing staff in 80 communities across Ontario

Strategic Partnerships to Build Service Manager Strength & Expertise in Housing

- Ontario Municipal Social Services Association
- Association of Municipalities of Ontario
- Ontario Municipal Benchmarking Indicators Expert Panel
- Northern Ontario Service Deliverers Association

Strategic Partnerships to Build Housing Sector Knowledge & Capacity

- Ontario Non-Profit Housing Association
- Chartered Institute of Housing Canada
- Cooperative Housing Federation of Canada
- Housing Partnership Canada
- International Housing Partnership

How HSC and its Subsidiaries Reach Clients and Stakeholders

HSC and its subsidiaries employ a variety of methods and tools to inform its clients and sector stakeholders about corporate and subsidiary decisions and activities on an ongoing basis. The table below summarizes the main communications systems and tools that are utilized:

Regular Email and Print Communications

HSC Happenings: Update from the HSC CEO

Updates on HSC and subsidiary business activities, relevant board decisions and sector news

Communication Type: Email

Frequency: Quarterly

Audiences:
- Clients of HSC services (housing providers; Service Manager housing staff)
- Stakeholder organizations (e.g. ONPHA, OMSSA, CHF, MMAH)
- Opt-in subscribers to HSC publications

Managing Risky Business

Updates on the HSC insurance program, tips/best practices on risk management, news on risk management supports and services, relevant news clippings

Communication Type: Email; Print mailout (to providers without email addresses)

Frequency: Quarterly

Audiences:
- Participants in the HSC Group Insurance Program
- Service Manager housing staff

Capital Ideas

From SHSC Financial. Quarterly returns on the investment funds, information on processes and procedures relating to investment transactions, best practices in investing

Communication Type: Email; Print mailout (to providers without email addresses)

Frequency: Quarterly

Audiences:
- Participants in the capital reserve investment program

Utility Management Program Energy Dashboard Reports

Signals the availability of the participant's latest energy dashboard report (password protected), also includes links to current incentive programs, complementary programs, tips on reducing energy consumption and relevant news

Communication Type: Email, web

Frequency: Quarterly

Audiences:
- Participants in the Utility Management Program

Website and Social Media Communications

http://www.hscorp.ca

Corporate website that includes information on HSC programs and services, archive of electronic newsletters, staff contact information and links to subsidiary websites (where applicable)

Communication Type: Website

Frequency: Ongoing

Audiences:
- Available to all internet users

http://www.sohoinsurance.ca

SoHo brokerage website that includes information on the SoHo tenant insurance and other SoHo-brokered programs offered to the social housing marketplace (HSC Group Insurance Program, Home & Auto Insurance, Common Room Insurance)

http://www.shscfi.ca

SHSC Financial website includes information on the capital reserve investment program including rates of return, administrative forms and applications, program news and updates

http://www.globeservices.ca

GLOBE website includes information on energy incentive programs offered by utility companies and delivered by GLOBE in conjunction with HSC Energy Services

HSC Social Media Accounts:

Twitter:
https://twitter.com/hsc_tweets

LinkedIn:
http://www.linkedin.com/company/housing-services-corporation

Facebook:
https://www.facebook.com/pages/Housing-Services-Corporation/185475511579

Links to provincial, national and international news stories relating to social and affordable housing, updates on HSC programs and services

Person-to-Person Outreach

HSC regional account managers, program leads and executives also perform extensive in-person outreach to the sector at:

- Scheduled and ad hoc meetings
- Conferences
- Sector events

In addition from time to time, HSC utilizes webinar technology to deliver program information to participants and interested parties.

HSC
Energy Services

To better reflect client business needs and changing market conditions, HSC continued to evolve its gas program in 2013. We've shifted from a program model where the emphasis is on moderating the costs of consuming energy to one where the focus is on reducing consumption and lowering energy costs via integrated, energy management by:

- Offering greater exposure to market rates for natural gas, purchasing options based on risk tolerance in concert with our new Customer Advisory Committee

- Convening our first Energy Forum where housing provider staff could exchange best practices and learn about utilizing building data to reduce energy costs

- Developing state-of-the-art energy management tools to benchmark and track building performance

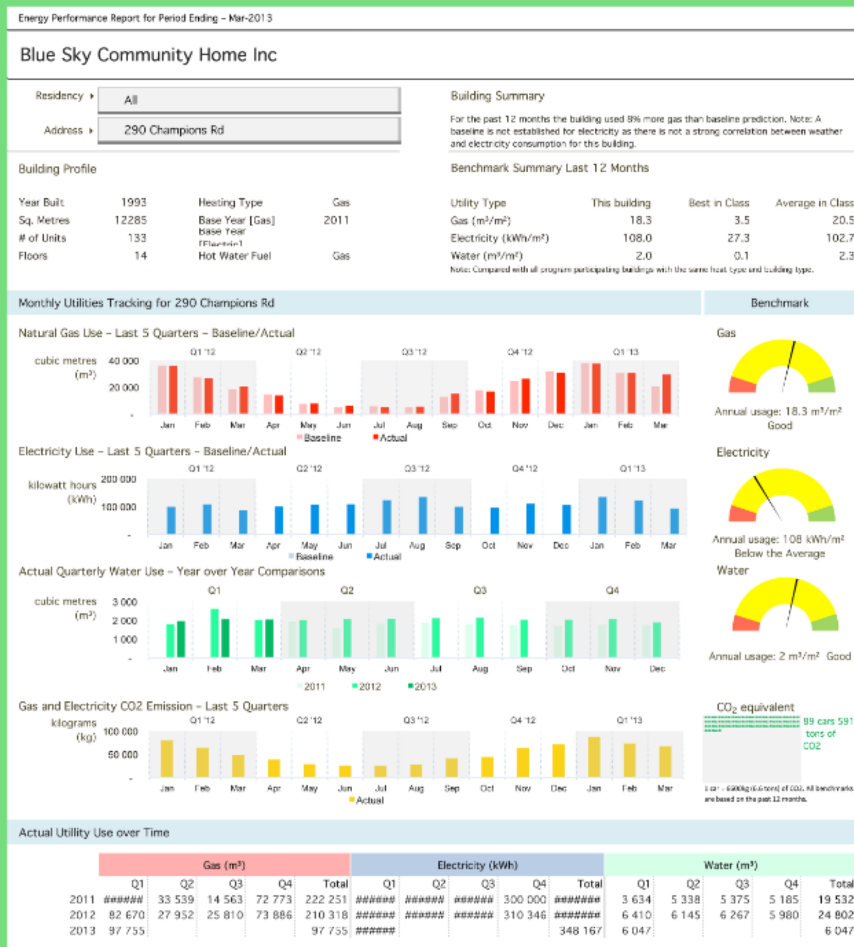
We reduced energy costs for housing providers

Gas purchasing options developed for 2014 with the program's Customer Advisory Committee offer guaranteed savings to customers of between 12% and 22% on 2013 pricing.

HSC Energy Forum speakers (l-r): Roger Maloney (HSC), Cheryl Shour (HSC), Daniel Dicaire (Ottawa), Christine MacDonald (Bruce County), Barbara Fawcett (Haliburton), Howie Wong (HSC), Peter Bacalso (Peel), Sean Botham (Hamilton) Mason Cavell (Community Housing Partners), Tarina Anthony (CMHC), Arthur Ash (Wellington County)

We helped share practical solutions and fostered collaboration

In November 2013, HSC hosted Measuring Matters: Building Data and Effective Energy Management. Held for participants in the HSC Gas Program and our Utility Management Program pilot for multi-residential buildings, the conference program focused on practical ways of reducing energy consumption.



Energy Performance Report for Period Ending – Mar-2013

Blue Sky Community Home Inc

Residency ▸ All

Address ▸ 290 Champions Rd

Building Summary

For the past 12 months the building used 8% more gas than baseline prediction. Note: A baseline is not established for electricity as there is not a strong correlation between weather and electricity consumption for this building.

Building Profile

Year Built	1993	Heating Type	Gas
Sq. Metres	12285	Base Year [Gas]	2011
# of Units	133	Base Year [Electric]	
Floors	14	Hot Water Fuel	Gas

Benchmark Summary Last 12 Months

Utility Type	This building	Best in Class	Average in Class
Gas (m^3/m^2)	18.3	3.5	20.5
Electricity (kWh/m^2)	108.0	27.3	102.7
Water (m^3/m^2)	2.0	0.1	2.3

Note: Compared with all program participating buildings with the same heat type and building type.

Monthly Utilities Tracking for 290 Champions Rd

Benchmark

Actual Utillity Use over Time

	Gas (m^3)					Electricity (kWh)					Water (m^3)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2011	######	33 539	14 563	72 773	222 251	######	######	######	300 000	#######	3 634	5 338	5 375	5 185	19 532
2012	82 670	27 952	25 810	73 886	210 318	######	######	######	310 346	#######	6 410	6 145	6 267	5 980	24 802
2013	97 755				97 755	######				348 167	6 047				6 047

We delivered state-of-the-art tools

November's Measuring Matters forum also saw the launch of HSC's second-generation energy dashboard for housing providers in HSC's Gas and Utility Management Programs. The personalized dashboard reports enable providers to benchmark and track the energy performance of their buildings and identify energy-saving opportunities.

HSC Insurance & Risk Management

In 2013, HSC continued to perform extensive outreach and education on risk management to front-line provider staff in its group insurance program. We also refined our insurance program for 2013/14 with an allocation model that rewards practical risk management. Providers with mandatory tenant insurance and smoke-free buildings were recognized to be lower risk.

This, combined with a new approach to marketing the program to interested underwriters, enabled us to negotiate lower premiums and increased coverages for our clients for the 2013/14 insurance policy term.

We negotiated lower insurance costs and better coverages for our clients

For the 2013/14 policy term, HSC was able to build on its work in restructuring the program and its risk management support to providers in 2012. We also took a different approach with insurers, focusing on correcting their perception of risk in social housing in Ontario. In addition, we offered insurers the ability to share in underwriting the property component of the insurance program and thereby lower their risk exposure. These efforts, combined with effective provider risk management in the 2012/13 policy term, resulted in:

- 14% drop in the total group insurance premium
- 90% of program participants saw no increase or reductions in their premiums
- Increased coverage for alterations, repairs and additions; additional living expenses for residents, pesticides and mould resulting from an insured peril

When our clients needed us most, we were there

On December 17, 2013, a massive fire broke out in downtown Kingston on a construction site next to Royal Canadian Legion Villa, a seniors' non-profit insured by HSC. The fire resulted in significant damage to the Villa and displaced residents for months. HSC was quick to respond to the crisis with staff delivering hands-on, in-person support to the Service Manager and housing provider starting on the day after the fire. In addition, HSC worked with the provider to lessen the impact of the fire on the lives of residents.

"[HSC] looked after everybody in that building who didn't have insurance. They've moved their furniture and put it in storage, they've fed them and put a roof over their head. How many insurance companies bend over backward like that?"

– Al Ward, Resident, Royal Canadian Legion Villa

HSC
Data & Asset Support

In 2013, HSC started to reorient its expertise in research, data collection and analysis to offer Ontario's social housing sector practical assistance in protecting, preserving and sustaining the physical housing asset.

A number of the projects we delivered in 2013 grew out of our earlier work on the end of social housing operating agreements – in particular, our 2012 paper produced in collaboration with the Ontario Municipal Knowledge Network, *Social Housing End Dates in Ontario: Assessing Impacts and Promoting Good Practices*.

	2000–2009 period total # = 32	2010–2019 period total # = 634	2020–2029 period total # = 1698	2030–2037 period total # = 149
Limited Dividend		67%	33%	
Sect 26/27	4%	48%	47%	2%
Sect 95 – MNP [6(c)]		60%	40%	1%
Sect 95 – PNP [05]	1%	67%	33%	
Pre–86/Post–86 UN		23%	77%	
Public Housing	3%	38%	55%	4%
Provincial Reformed		1%	88%	10%
Period Total %	1%	25%	68%	6%

We helped Service Managers prepare for the end of operating agreements (EOA)

In mid-2013, HSC produced individualized reports for 32 Service Managers to assist them in their EOA planning. These Service Managers had participated in HSC's 2012 research study, Social Housing End Dates in Ontario: Assessing Impacts and Promoting Good Practices, by supplying data on their portfolios. The individualized reports help by:

- Comparing the data they supplied to the Ontario trends currently and at the end of operating agreements
- Assessing their portfolio on a project by project basis currently and at EOA
- Identifying data gaps and challenges
- Recommending a Service Manager-specific course of action

Northern Service Managers utilized our data collection and analysis capacity to support future planning

HSC built on its relationships with the Northern Ontario Service Deliverers Association (NOSDA) and the Cochrane District Social Services and Administration Board (CDDSAB) by providing support on three strategic projects.

As with other Service Managers, NOSDA members face the dual challenge of a shortage of affordable housing and significant obstacles in financing new developments. Towards addressing this issue, HSC was engaged to assist a NOSDA working group in investigating alternative financing scenarios to support their regeneration efforts. In 2013, HSC also produced a research study on behalf of NOSDA on the social and economic impacts of mining development on housing affordability and communities in Ontario.

With CDDSAB, HSC was hired to assist in publicizing and delivering public consultations for their 10 year housing and homelessness plan. HSC created communications to raise public awareness of the consultations and facilitated public meetings in Kapuskasing, Smooth Rock Falls, Hearst, Cochrane and Iroquois Falls in July 2013. Our efforts fed into the final plan that was submitted at the end of the year to the Ministry of Municipal Affairs and Housing.

HSC
Information &
Technology Services

In the second half of 2012, HSC increased its capacity and expertise in information technology as a first step in supporting the development of sector-wide data. The download of social housing to 47 Service Managers in 2000 had a significant impact on data sharing and data consistency across Ontario's social housing system.

With newfound flexibility afforded by the *Housing Services Act*, HSC sought to address this issue, building on its experience with the province-wide rent arrears system, delivering asset planning software to the sector and handling province-wide data from its core programs.

HSC's IT Services group started by making improvements to the energy dashboard reports for providers in the Utility Management Program and creating a system for insurance claims tracking. Then in October 2013, we launched HSC InSite, an online property management tool specially designed for small- to medium-sized social housing providers.

HSCInsite
Powered by YARDI

We helped smaller providers maximize their resources and improve service levels by launching a low-cost software tool

The bulk of the providers in Ontario's social housing universe manage portfolios of under 1,000 units. Historically these providers have managed their operations with limited staff resources and technological tools in large part due to the high cost of property management software.

Towards addressing this issue, HSC partnered with Yardi Systems to create HSC InSite. The online software helps smaller providers improve their service levels and maximize their staff resources by automating business processes associated with property management. Because the system is online, it does not require any costly investment in hardware.

The software was launched at the Ontario Non-Profit Housing Association conference tradeshow in Fall 2013. By year's end, agreements to conduct pilots of the software were in place for Homes First Society, Elgin and St. Thomas Housing Corporation, Manitoulin-Sudbury District Services Board, Sionito Group of Charities, Homestarts and Parkwood Non-Profit Housing Corporation.

We laid the foundation for national standards for Canadian housing professionals

In 2013, HSC's longstanding work on addressing the demographic shift in the sector and succession planning culminated with the launch of Chartered Institute of Housing (CIH) Canada in partnership with CIH UK.

This work started in 2007 with our "Raising the Bar on Sector Revitalization" forum, which focused on succession planning. It was followed by the 2008 HSC-led "Ideas into Action" consultation process with Ontario sector on attracting and retaining talent and then subsequent research by HSC developing an accreditation framework, qualification routes and a professional body.

CIH Canada leverages the expertise of the UK Chartered Institute of Housing, which was established in 1918 by Royal Charter as the professional body for its housing sector. Today CIH accredits housing education programs at over 100 universities, colleges and learning institutions in the UK as well as delivering its own training and educational programs. It is a world leader in housing education, accrediting programs in Hong Kong, China, Macau, Taiwan, Australia, Ireland and the Netherlands and boasting a membership of more than 22,000 housing professionals in over 20 countries.

In June 2013, HSC and CIH UK created CIH Canada as a partnership entity. Then in October, CIH Canada launched its inaugural 'Founders Program,' an executive MBA-style educational program for 21 senior housing executives across Canada. Acting as CIH Canada's interim Executive Director, Peterborough Housing CEO, Darlene Cook, also started to develop curriculum for its Certified and Chartered accreditation streams for operational and management professionals, which would launch in Ontario in 2014.

CIH Canada 2013/14 Founders Program Participants

HOUSING SERVICES CORPORATION

Summary Consolidated Financial Statements

Year Ended December 31, 2013

NPT LLP
CHARTERED ACCOUNTANTS
Adding value. Finding balance.

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F: 519-432-6544
300-633 COLBORNE ST.
LONDON, ONTARIO N6B 2V3
www.nptca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Housing Services Corporation

The accompanying summary consolidated financial statements of Housing Services Corporation, which comprise the summary consolidated statement of financial position and the summary consolidated insurance trust fund statement of financial position as at December 31, 2013 and the summary consolidated statements of changes in net assets, revenue and expenditures for the year then ended, and related notes are derived from the audited consolidated financial statements of Housing Services Corporation for the year ended December 31, 2013.

We expressed an unmodified audit opinion on those consolidated financial statements in our report dated June 13, 2014.

The summary consolidated financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations applied in the preparation of the audited consolidated financial statements of Housing Services Corporation. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Housing Services Corporation

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, “Engagements to Report on Summary Financial Statements”.

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Housing Services Corporation for the year ended December 31, 2013 are a fair summary of those consolidated financial statements, in accordance with the basis described in note 1.

NPT LLP

London, Canada
June 13, 2014

NPT LLP
Chartered Accountants
Licensed Public Accountants

HOUSING SERVICES CORPORATION

Summary Consolidated Statement of Financial Position

December 31, 2013

		2013		2012
ASSETS				
Cash	**$**	**885,998**	$	1,153,116
Investments		**1,438,606**		2,308,209
Accounts receivable		**4,888,782**		3,679,602
Gas inventory		**-**		830,000
Taxes other than income taxes recoverable		**61,727**		35,047
Prepaid expenses		**216,832**		264,240
Capital assets		**562,236**		75,192
Loan receivable		**110,262**		160,016
Due from trust fund		**851,373**		807,864
Chartered Institute of Housing Canada		**78,784**		-
	$	**9,094,600**	$	9,313,286
LIABILITIES AND NET ASSETS				
Accounts payable	**$**	**5,751,679**	$	4,822,198
Deferred revenue		**563,835**		326,040
		6,315,514		5,148,238
NET ASSETS				
Accumulated surplus		**1,798,962**		2,312,728
Reserve funds		**1,038,613**		1,910,000
Non-controlling interest		**(58,489)**		(57,680)
		2,779,086		4,165,048
	$	**9,094,600**	$	9,313,286

See accompanying notes to the financial statements.

HOUSING SERVICES CORPORATION

Summary Consolidated Insurance Trust Fund Statement of Financial Position

As at December 31, 2013

		2013		2012
ASSETS				
Cash and cash equivalents	**$**	**15,601,401**	$	23,187,744
Accounts receivable		**1,096,809**		1,154,895
Deposit with insurance companies		**901,267**		-
	$	**17,599,477**	$	24,342,639
LIABILITIES				
Provision for provider claims	**$**	**639,229**	$	1,620,308
Due to insurance companies		**1,148,959**		9,394,125
Balances available to pay future claims		**14,959,916**		12,520,342
Due to trust fund		**851,373**		807,864
	$	**17,599,477**	$	24,342,639

See accompanying notes to the financial statements.

HOUSING SERVICES CORPORATION

Summary Consolidated Statement of Changes in Net Assets

Year Ended December 31, 2013

	Accumulated Surplus	Reserve Funds	Non-controlling Interest	**2013**	2012
NET ASSETS - BEGINNING OF YEAR	$ 2,312,728	$ 1,910,000	$ (57,680)	**$ 4,165,048**	$ 9,561,808
(Deficiency) of revenue over expenditures	(1,385,153)	-	(809)	**(1,385,962)**	(5,396,760)
Fund transfers	871,387	(871,387)	-	**-**	-
NET ASSETS - END OF YEAR	$ 1,798,962	$ 1,038,613	$ (58,489)	**$ 2,779,086**	$ 4,165,048

See accompanying notes to the financial statements.

HOUSING SERVICES CORPORATION

Consolidated Statement of Revenue and Expenditures

Year Ended December 31, 2013

		2013		2012
REVENUE				
Bulk purchasing program	$	**27,914,212**	$	27,539,916
Energy management program		**3,755,370**		4,149,133
Group insurance programs		**1,529,383**		1,739,034
Benchmarking and best practices program		**248,841**		257,879
Capital reserves program		**3,352,800**		3,232,170
Grants - Province of Ontario		**247,100**		427,500
Investment income		**198,907**		281,525
		37,246,613		37,627,157
EXPENDITURES				
Bulk purchasing program		**27,573,221**		31,453,538
Energy program		**3,809,600**		3,559,575
Insurance program		**1,880,152**		2,389,728
Benchmarking and best practices program		**2,499,781**		2,764,382
Capital reserves program		**2,869,821**		2,877,694
Income tax expense (recovery)		**-**		(21,000)
		38,632,575		43,023,917
(Deficiency) of revenue over expenditures for the year	$	**(1,385,962)**	$	(5,396,760)

See accompanying notes to the financial statements.

Housing Services Corporation (HSC or Organization) was created by the Social Housing Reform Act, 2000 and continued under the Housing Services Act (2011) on January 1, 2012. Its membership includes all Service Managers, Local Housing Corporations and all prescribed Non Profit and Co-operative Housing Providers. HSC's mandate includes:

- Establish and manage insurance programs for members prescribed;
- Establish and manage schemes to pool capital reserve funds for members that are housing providers;
- Establish and manage schemes for the joint purchase of natural gas by members that are housing providers;
- Undertake research and provide advice to the Province of Ontario, service managers and housing providers with respect to the establishment and use of performance measures and good practices to achieve the efficient and effective provision and long term sustainability and viability of housing for moderate and low income households; and
- Undertake such other activities as are prescribed.

1. SUMMARY FINANCIAL STATEMENTS:

The summary consolidated financial statements are derived from the complete audited consolidated financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at and for the year ended December 31, 2013.

- SHSC Financial Inc.,
- SoHo Insurance Inc.,
- Green Light on a Better Environment (GLOBE) Inc.,
- 2242392 Ontario Inc.
- Asset Management Centre Inc. (66.67% owned subsidiary)

All intercompany transactions and balances have been eliminated upon consolidation.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected in the summary financial consolidated statements so that they are consistent, in all material respects, with or represent a fair summary of the audited consolidated financial statements.

These summarized consolidated financial statements have been prepared by management using the following criteria:

(a) whether information in the summary consolidated financial statements is in agreement with the related information in the complete audited consolidated financial statements; and

(b) whether, in all material respects, the summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited consolidated financial statements, including the notes thereto.

The complete audited consolidated financial statements of the Housing Services Corporation are available upon request by contacting the Housing Services Corporation.

HOUSING SERVICES CORPORATION

Expense Reporting

As part of its provincially mandated reporting requirements, HSC reports on the remuneration and reimbursed expenses of board members, officers as well as those of its top five paid employees.

The expense reports as well as the expense policy for the HSC Board of Directors are available on our website, http://www.hscorp.ca