2018
ANNUAL REPORT

HSC

For the year ended December 31, 2018
Housing Services Corporation

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Client Voices in 2018

""WoodGreen was looking to become a more integrated and data-driven organization supported by a modern IT system.

We chose to work with HSC because of their experience with non-profit housing operations, their people-focused approach to project management and their technical knowledge of IT services and software for social housing. HSC staff understood that our project was about more than changing technology.

They provided honest feedback about what organization changes we needed to support our vision."

MWARIGHA, VICE-PRESIDENT OF HOUSING AND HOMELESSNESS, WOODGREEN COMMUNITY SERVICES

"Northumberland County retained HSC to review and update our client facing policies to align with County goals and reflect best practices. HSC staff worked very closely with our staff team to identify the client journey and how our processes can support better outcomes. They are incredibly responsive and flexible and are now coaching our staff in how to undertake continuous reviews of our processes and policies."

REBECCA CARMAN,
HOUSING SERVICES MANAGER,
COMMUNITY & SOCIAL SERVICES,
NORTHUMBERLAND COUNTY

"HSC was a great resource to us in supporting the framework for our next five year strategic plan. They are not only able to provide expert skills and support to the process, but also their grounded knowledge and understanding of our complex operating and service environment. This makes them natural partners for this kind of work in our sector."

STEPHEN GIUSTIZIA, CEO, EXECUTIVE LEAD, HOUSING DEVELOPMENT CORPORATION, LONDON

"The need and demand for attainable and affordable housing in the District of Kenora has been increasing at significant rates. Combined with the End of Operating Agreements, the Kenora District Services Board has had to redefine and reinvent itself as the Housing Service Manager for the District.

The team at Housing Services Corporation has been exceptional in supporting us through this change with their financial modelling tools for our new housing project developments and their knowledge and expertise has enabled us to be prepared for the End of Operating Agreements."

HENRY WALL,
CHIEF ADMINISTRATIVE OFFICER, KENORA DISTRICT SERVICES BOARD

A MESSAGE FROM OUR CHAIR & CEO

The 2018 Annual Report highlights HSC's continuing work with its clients, stakeholders and partners to meet community housing needs efficiently and effectively.

This report takes a different approach than from the past in communicating how HSC seeks to achieve this. In the past, we've presented our accomplishments in terms of our obligations enshrined in legislation. This time we have taken an approach that focuses squarely on how we contribute to the outcomes that matter to both our clients and the public in general.

The approach is reflective of HSC's evolving business in the sector. We've gained greater clarity on where and how we can make a difference. Clients are beginning to notice that the redesigns of our core programs a few years back now are paying dividends in the form of keeping costs low while delivering unique value. They also recognize that by expanding our partnerships to housing organizations across Canada, Ontario's sector will benefit from greater economies of scale as well as opportunities to share and exchange best practices.

We are at a decisive time for the housing sector in Ontario and across Canada. A recent RBC report declared that Canadian housing affordability is today at its worst level in nearly 30 years. Delivering value to our clients is crucial. Our Ontario Service Manager and housing provider clients are making decisions about their portfolios that will shape our communities for future generations. We are ready and capable of supporting them in finding the best way forward.

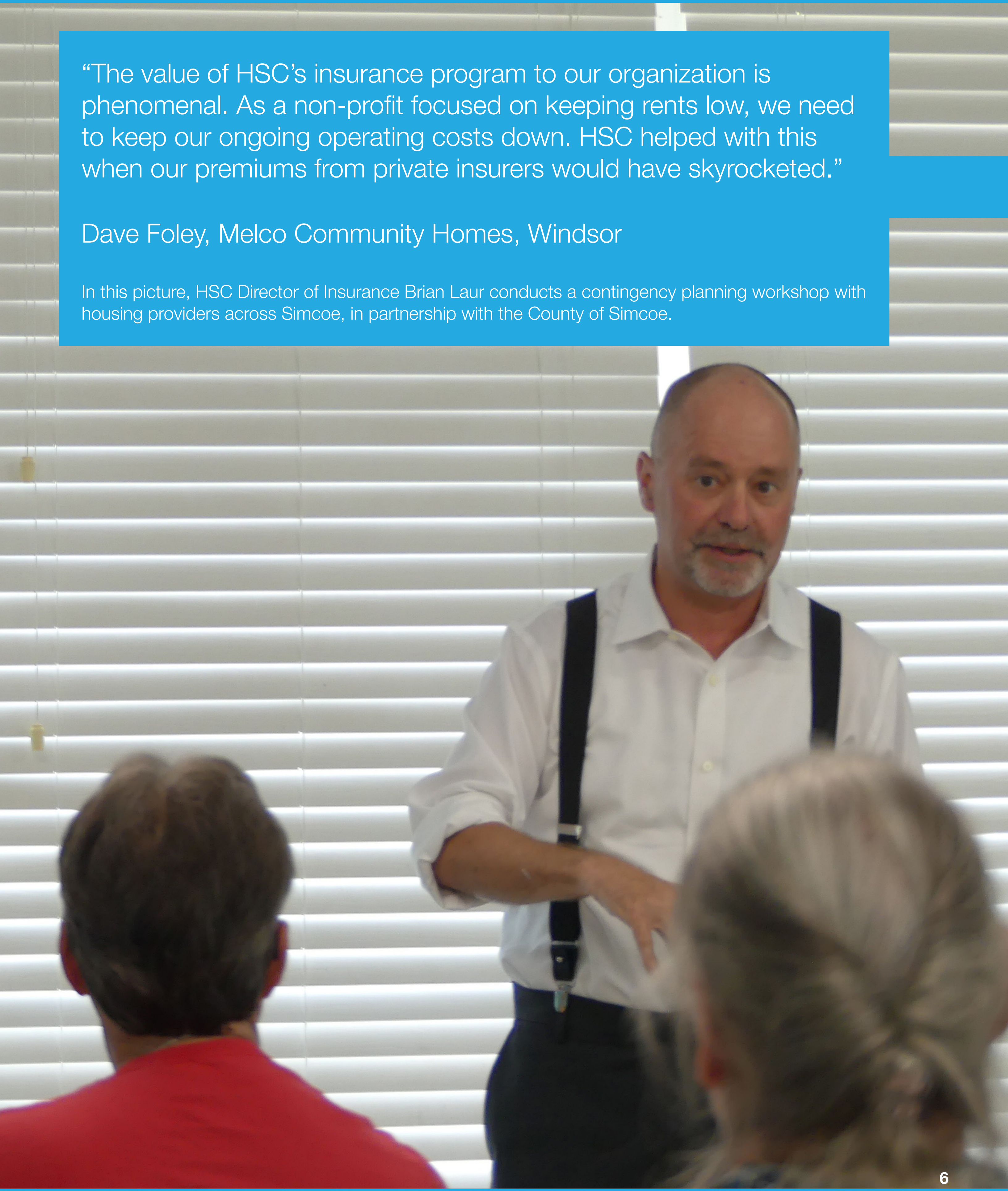
Bill Bradica, Board Chair

Howie Wong, CEO

“The value of HSC’s insurance program to our organization is phenomenal. As a non-profit focused on keeping rents low, we need to keep our ongoing operating costs down. HSC helped with this when our premiums from private insurers would have skyrocketed.”

Dave Foley, Melco Community Homes, Windsor

In this picture, HSC Director of Insurance Brian Laur conducts a contingency planning workshop with housing providers across Simcoe, in partnership with the County of Simcoe.



KEEPING COSTS LOW: COMBINING EFFICIENT ADMINISTRATION & LEVERAGING SCALE

HSC Insurance & Risk Management

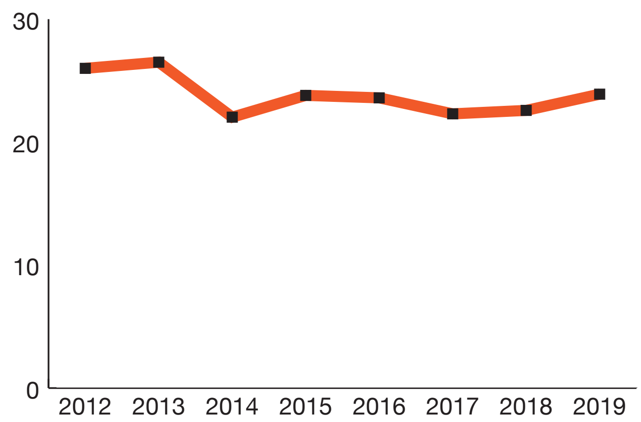
HSC administers one of the largest property insurance programs in North America, offering guaranteed insurance to providers regardless of their claims history. In order to keep costs stable, we leverage the power of the group and a unique program design.

In 2018, HSC's group insurance program experienced a significant jump in property claims and total claims payout. In spite of the challenges, HSC was able to keep the total property increase at 4.75% and return Property Claims Trust Fund surpluses to providers from the 2013 and 2014 terms.

HSC also continued to work with Service Managers in offering workshops on practical risk management to providers; encouraged the adoption of tenant insurance; and provided advice on the legalization of marijuana in November 2018.

Ahead for 2019: In spite of rising property claims and a hardening global insurance market, HSC will seek to keep costs steady. We will do this by continuing to educate the sector on practical risk management; encouraging appropriate valuations and piloting a bulk tenant insurance offering. In addition, we will pilot and a Service Manager dashboard to enable risk management at a broader portfolio level.

Group Cost for Insurance, 2012-2019
(millions of dollars)



160,559
UNITS COVERED BY HSC IN 2018

129
NON-PROFITS ACROSS ONTARIO RELYING ON GUARANTEED COVERAGE IN 2018

14,288
RESIDENTS USING HSC'S LOW-COST TENANT INSURANCE

$21.5 million
PAID OUT FOR 173 PROPERTY CLAIMS IN 2018

$1.98 million
PAID OUT IN TENANT INSURANCE CLAIMS SINCE 2014

$1.1 million
RETURNED TO HOUSING PROVIDERS IN 2018

"HSC's Energy Services Stakeholder Advisory Group enables me to keep on top of the latest developments in energy management and efficient design. It also allows me to meet with my counterparts across the Province and see what they are doing as we share similar challenges and goals. I appreciate the opportunity to provide regular feedback on HSC's energy programs as well."

Andy Blomberg, Program Manager, Housing Services, Cochrane District Social Services Administration Board

In this picture, touring Ottawa Community Housing's Passive House and WELL certified Carlingview Community Health Hub (l-r): Hans Kogel, Director of Asset Management, Windsor Essex Community Housing, Andy Blomberg, and Dan Dicaire, Energy Efficiency and Sustainability Officer, Ottawa Community Housing.

HSC Energy Services

In 2018, HSC offered its natural gas clients the lowest rates in the history of the program. Our highly competitive price was possible due to the reductions we made in our administrative fees since 2016, as well as our proactive program management. The program also offered clients not only a range of terms, but the ability to average down costs by buying further into the future.

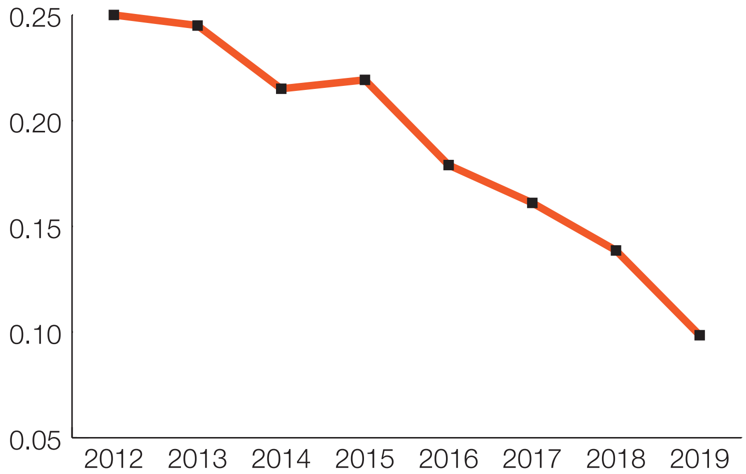
HSC set the groundwork in 2018 towards implementing a new, online platform for its Utility Management Program (UMP). UMP enables housing providers to identify savings opportunities and make capital decisions by monitoring and benchmarking building energy and water performance against comparable buildings.

With Ontario's *Energy and Water Reporting and Benchmarking* regulation set to come into force, HSC is enabling providers and Service Managers make a smooth transition to meeting their legal obligations as well as creating an opportunity to share and exchange practices on effective energy management in housing.

Ahead for 2019: In addition to its new UMP platform, HSC will continue to explore opportunities to reduce gas costs, working closely with its Energy Services Stakeholder Advisory Group.

HSC Gas Prices, 2015-2019

(dollars per m^3)



60%↓

REDUCTION IN ADMIN FEES ON GAS SINCE 2016 REDESIGN

9.58¢/m³

HSC'S GAS PRICE FOR 2019

827

BUILDINGS USING UMP TO IMPROVE PERFORMANCE

"The program provides enough options to give you choices whether you are big or little but at the same time, it's not so complicated that you have to struggle with your decisions."

Jim Steele, CEO, Windsor Essex Community Housing Corporation

Encasa Financial (Capital Reserves Investment)

In the Fall of 2018, Encasa Financial set into motion an ambitious set of changes to its operations.

They involved:

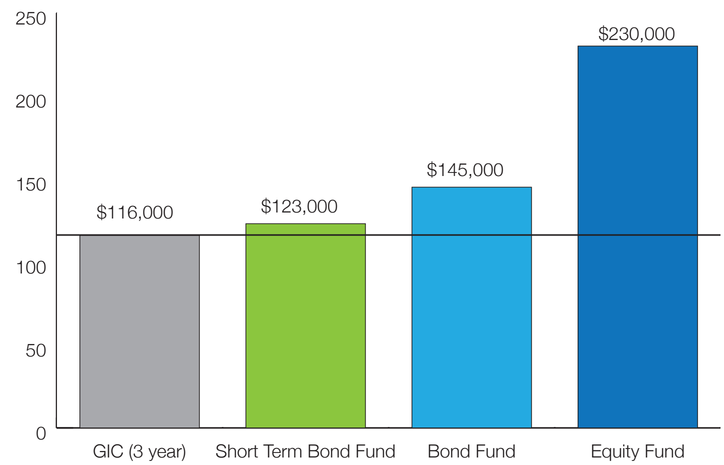
- **Improving customer service** by bringing this work into Encasa, an organization owned by sector non-profits and staffed by people that know housing and investments rather than third-party, for-profit investment firms.
- **Laying the foundation for sector investment** by enabling Encasa to exercise greater control over the holdings of the Social Housing Investment Funds. Encasa had already taken steps towards ensure that investments were socially responsible. But the changes in 2018 open the door to investing in local, housing-specific investments and Ontario municipal bonds. This means dollars stay in our sector while delivering strong, stable returns to providers.
- **Streamlining operations** to ensure investment dollars go further keeping the management fees charged minimal.

While it has been a challenging period of transition, Encasa is committed to continuing to improve its communications to Ontario members. HSC will support this by providing regular Encasa updates in the HSC CEO Update and creating opportunites for Encasa staff to outreach to key stakeholders, including Service Managers.

encasa

10 Year Performance vs. GIC

(growth of $100,000)



Top Tier	Lowest Quartile	15+ years
FUND PERFORMANCE	MANAGEMENT FEES, DELIVERING RETAIL SERVICE AT INSTITUTIONAL RATES	INVESTMENT ADVICE

For its 2018 giving campaign, HSC employees selected Elizabeth Fry Kingston, a non-profit which provides services and housing to women in conflict with the law and an HSC insurance client. HSC's employee fund-raising efforts were matched by contributions from its insurance program partners, FirstOnSite Restoration and Crawford and Company. In the photo: Howie Wong (CEO, HSC), Kathryn Londry (Director, Housing Services, Elizabeth Fry) and Tara Morissette (Vice President, National Accounts, FirstOnSite).

SUPPORTING THE SAFETY & WELL BEING OF COMMUNITIES

While HSC's focus is on services that support Ontario's social housing asset, our ultimate objective is to **house people better and improve resident quality of life**. Here are a few ways we met this objective in 2018 that involved residents or quality of life considerations.

Tenant Insurance

In 2018, HSC continued to encourage the adoption of tenant insurance to protect both residents and housing providers. Residents benefit from property protection and living expense coverages if they are displaced due to a flood or fire -- and liability coverage if they accidently cause such an incident. Housing providers benefit from reduced risk exposure.

At the end of 2018, more than 15,000 families were protected with HSC's low-cost tenant insurance program, specially designed for social housing residents.

Community Champions

HSC's Community Champion Program educates residents and housing staff on the importance of conserving energy and water and inspiring action. In 2018, we conducted 15 sessions with housing staff and residents in Toronto, Simcoe County, Dufferin County, Thunder Bay and Sault Ste. Marie.

Marijuana Legislation

In 2018, housing providers across Ontario had questions and concerns about the legalization of recreational marijuana and how to prepare for its implementation in their communities. HSC took a leading role in providing insight, advice and conducting a webinar with our Director of Insurance and a legal expert; sharing information on different provider/Service Manager approaches in our *Managing Risky Business* newsletter; and speaking at Service Manager-organized forums on the matter.

SHARE

HSC's SHARE webinars and events help housing providers and Service Managers improve resident quality of life by exploring innovative new approaches in housing management. In 2018, we held webinars on deploying the Portable Housing Benefit; skillsets and competencies in housing management; and bulk procurement. We also delivered two events in Timmins and Thunder Bay, "Rethinking Housing for Better Outcomes in Northern Ontario" and "Spurring Affordable Housing Development: New Ideas, Approaches and Tools." These events were delivered in partnership with the Northern Ontario Service Deliverers Association and the respective District Social Services Administration Boards.

“In 2018 we were introduced to HSC Tech Services through CHF Canada. HSC’s project management services have been valuable in our capital repairs work — in addition to managing the contractors and various stakeholders, the HSC Project Manager also provided support on the design of kitchen and bathrooms.

The board is very pleased with HSC’s work and their collaborative approach. Our Project Manager ensures that there is open communication and always keeps us updated on the project’s progress. The results are great so far and we are happy to have partnered with HSC on this endeavour.”

Janine McDonald, Property Manager, Kawartha Village Co-Op

SUSTAINING EXISTING AND SUPPORTING THE CREATION OF NEW AFFORDABLE HOUSING SUPPLY

In 2018, HSC helped sustain social housing portfolios across Ontario, and assist in their regeneration in a number of vital ways.

Capital Project Management

HSC Technical Services ("Tech Services") helps housing providers and Service Managers by offering objective project management oversight on capital repair projects.

In 2018, Tech Services wrapped up its work with 14 Toronto providers on delivering energy efficiency projects funded under the Social Housing Apartment Retrofit Program (SHARP). As part of this work, Tech Services secured more than $1.2M in incentives. Projects are estimated to save more than $800K in utility costs per year.

Work also began on an additional 16 projects in 2018 in **Toronto, Kawartha Lakes, Ottawa, Timiskaming, Nipissing, Niagara, Parry Sound, Northumberland and Huron County**. The total construction value of these projects is over $6M and include capital repairs relating to:

- Mechanical retrofits
- Balcony demolition and restoration
- Sprinkler installation systems
- Interior retrofits (kitchens, bathrooms)

$1.287 million
SECURED IN INCENTIVES

$800 thousand
SAVED IN ANNUAL ENERGY COSTS

Information Systems and Data

HSC continued to foster data-driven decision-making by offering a range of cost-effective information tools to the sector. These tools included:

- Province-wide rent arrears database
- Utility Management Program
- AssetPlanner
- HSC InSite

In 2019, we started to offer three additional AssetPlanner modules. We also worked with **Woodgreen Community Services** and **Services and Housing in the Province** to implement HSC InSite, utilizing rigorous change management methods to support the successful adoption of the system.

Planning for the Future

Housing in Ontario is today at a critical juncture. Buildings are coming to the end of their useful life; non-profits are weighing whether or not to continue delivering social housing; and government funding is uncertain. In addition, local housing needs have shifted over time and new, regenerated portfolios need to meet current and future demographics.

In 2018, HSC helped Service Managers wrestle with these issues and other operational ones by providing hands-on help. In the **Districts of Parry Sound, Thunder Bay and Kenora**, we worked closely with housing providers on reviewing financial scenarios after the End of Operating Agreements (EOA) and financial planning. We worked with **Northumberland County** on operational improvements and facilitated a discussion with providers on asset management. We assisted **Kawartha Lakes** on their housing asset management plan and to develop their housing master plan. We helped London's **Housing Development Corporation** develop their five year strategic plan. We also worked with **Niagara Region** on evaluating the condition of their housing stock, developing a long-term capital needs picture and helped devise a potential capital loan program.

9,872
UNITS MANAGED WITH HSC'S PROPERTY MANAGEMENT SOFTWARE

49,941
UNITS TRACKED WITH HSC'S ASSET MANAGEMENT SOFTWARE

BUILDING A STRONGER ONTARIO SECTOR WITH PAN CANADIAN PARTNERSHIPS

Ontario's housing sector benefits from HSC's partnerships across Canada in several ways. These partnerships help control costs of HSC programs in Ontario by achieving greater economies of scale; reduce the risk of much-needed, innovative new initiatives; and facilitate knowledge exchange on a national level.

encasa

Encasa Financial

HSC's expansion of Encasa's ownership model in 2014 is helping to provide Ontario's Social Housing Investment program with the scale it needs as Ontario providers withdraw reserves to perform capital repairs. In 2018, Encasa expanded its clientele to include almost 40 non-profits outside Ontario.

BCNPHA BC Non-Profit Housing Association | chfbc | Co-operative Housing Federation of Canada

HPC Housing Investment Corporation

HPC Investment Corporation

HSC is a founding sponsor of the HPC Housing Investment Corporation (HIC). In 2018, it provided support for the startup operations of HIC and preparations for its inaugural bond offering to the capital markets.

BC HOUSING | manitobahousing

Housing NOVA SCOTIA

Nova Scotia Social Housing Assistance Repair Program

In 2018, HSC completed four-year partnership with CHF Canada and Housing Nova Scotia to provide oversight on 24 capital repair projects to 20 Nova Scotia co-ops under this provincial retrofit program.

Co-operative Housing Federation of Canada

Housing Partnership Canada

Housing Partnership Canada

In 2018, HSC supported Housing Partnership Canada, a collective of housing CEOs from across Canada by assisting with the creation of its 2018 report, *Skillsets and Core Competencies to Facilitate Business Transformation in the Non-Profit Community Housing Sector*. HSC participated in the research working group and prepared the implication for practice report to support the study findings. We also co-hosted a SHARE webinar to disseminate the findings.

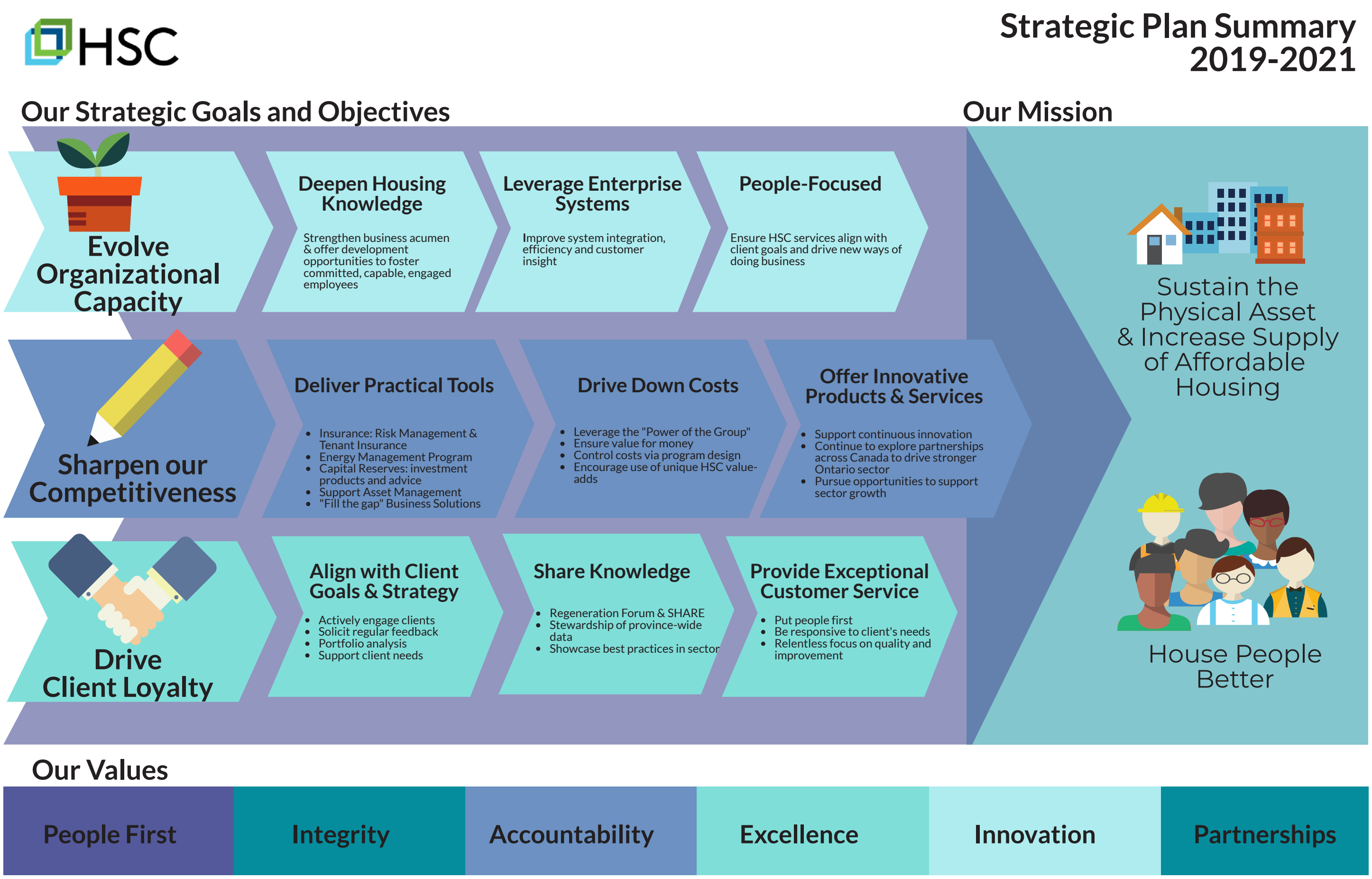
OUR 2019-2023 STRATEGIC PLAN

How we meet the affordable housing needs of our communities is changing as our sector becomes more data-driven and professionalized. We are more entrepreneurial and reducing our dependence on uneven government funding. Housing organizations are no longer looking just locally for best practices; we are exchanging information and developing solutions at a national level. Here in Ontario, Service Managers are approaching the halfway point of their Housing and Homelessness plans.

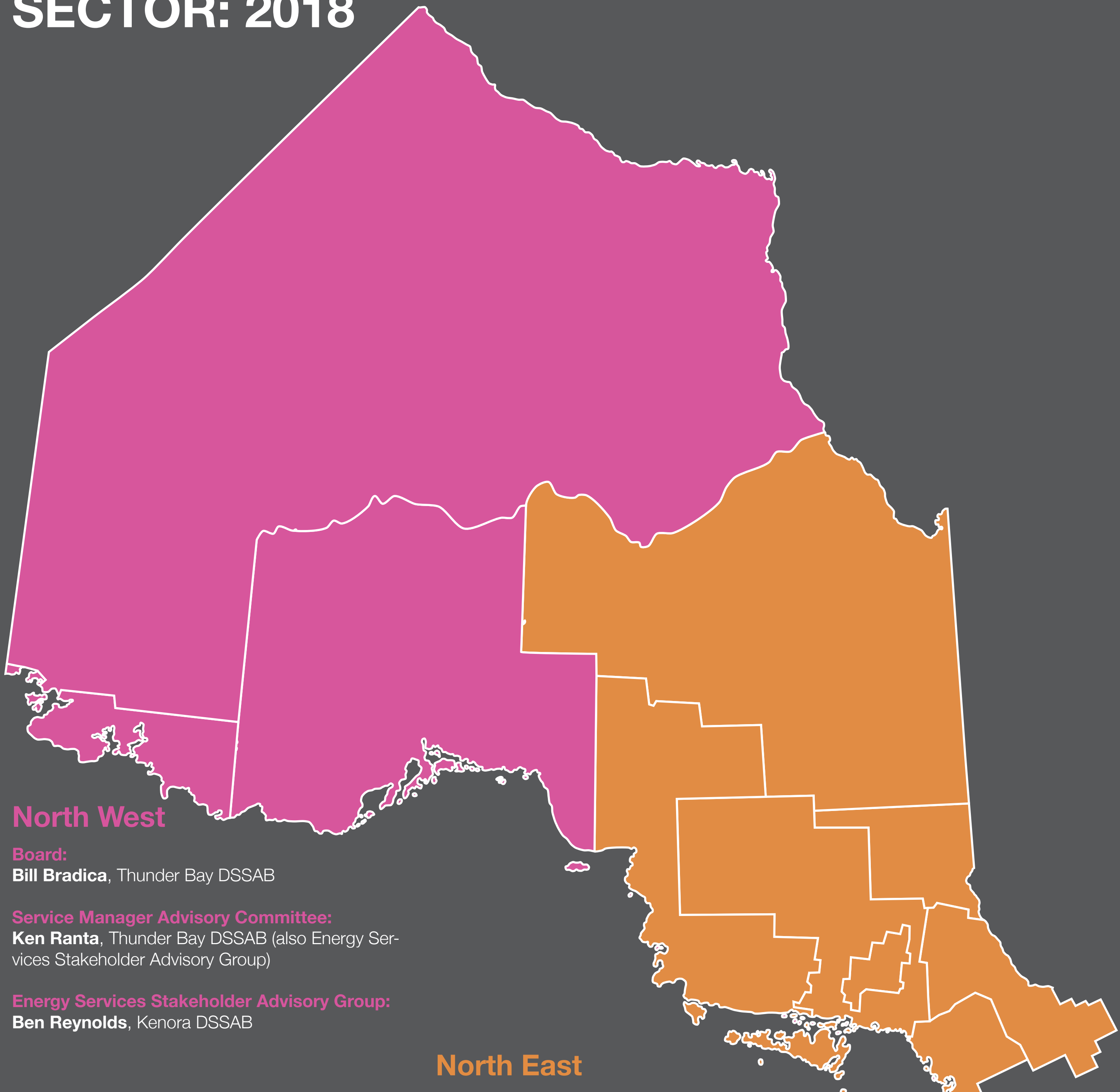
How HSC does its work must evolve in tandem with these developments. So in Fall 2018 we consulted with a cross-section of clients to understand their current and anticipated business needs; their perceptions of HSC; and future opportunities for us to deliver value.

We were gratified to hear that our work is well regarded. Housing providers and Service Managers affirmed a need for the types of ‘bridge the gap’ services that we are now offering under the banner of HSC Business Solutions. They also recognize that today our programs are truly cost-competitive and deliver crucial value-added benefits.

For 2019-2021, our primary goals are to maintain this competitive edge with innovative products and services so our clients can sustain their assets, increase the supply of affordable housing and house people better.



THE PEOPLE WHO HELP US ADVANCE THE SECTOR: 2018



North West

Board:
Bill Bradica, Thunder Bay DSSAB

Service Manager Advisory Committee:
Ken Ranta, Thunder Bay DSSAB (also Energy Services Stakeholder Advisory Group)

Energy Services Stakeholder Advisory Group:
Ben Reynolds, Kenora DSSAB

North East

Board:
Catherine Matheson, City of Greater Sudbury

Energy Services Stakeholder Advisory Group:
Andy Blomberg, Cochrane DSSAB
Jeff Barban, Sault Ste. Marie DSSAB
Richard Munn, Greater Sudbury Housing

LHC Forum:
Mark Scarfone, Greater Sudbury Housing

Service Manager Advisory Committee:
Brian Marks/Micheal Miller, Cochrane, DSSAB
Debbie Mills, Nipissing DSSAB
Cindy Briscoe, City of Greater Sudbury

Central/GTA

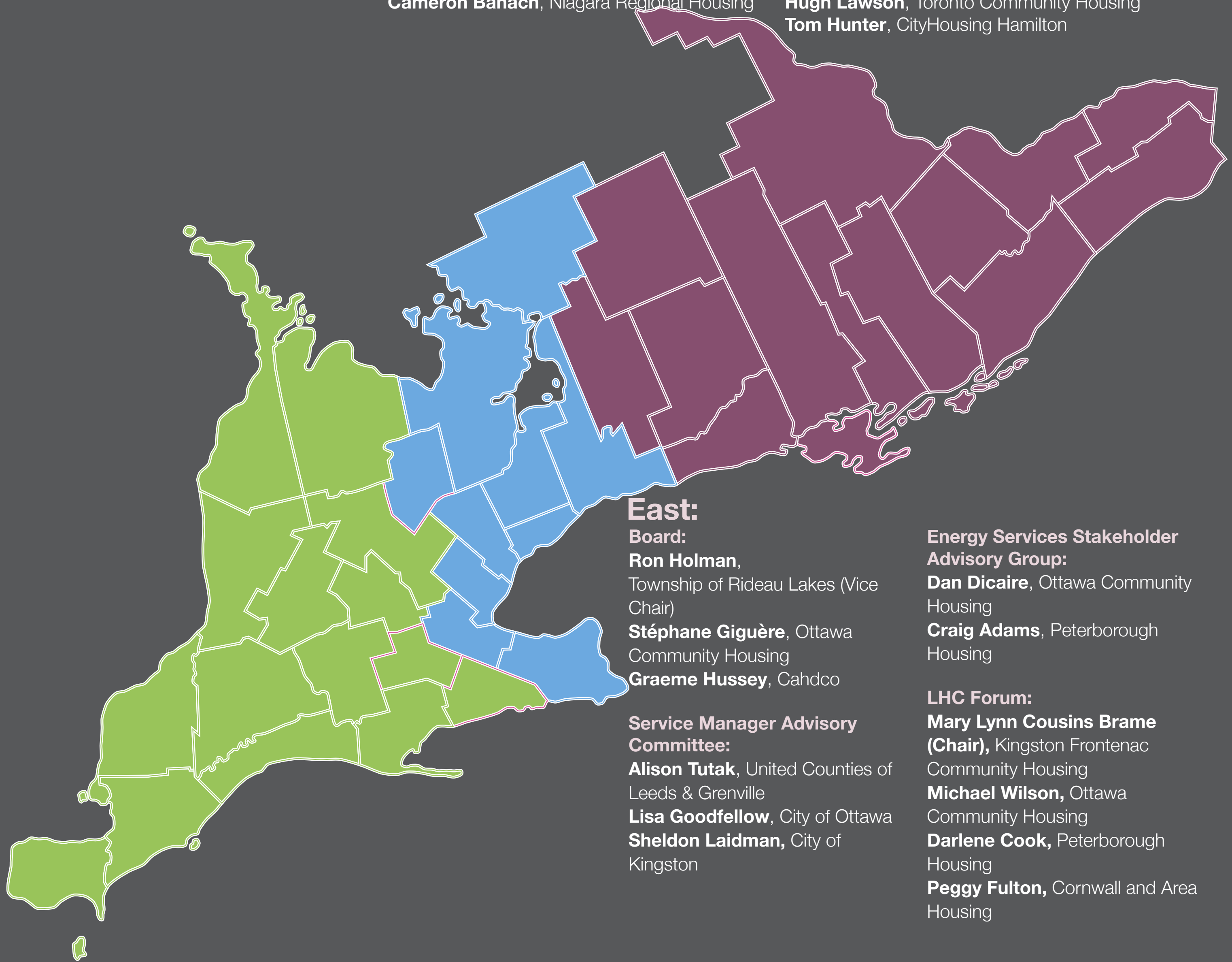
Board:
Ana Bailao/Gord Perks, City of Toronto
David Szwarc, Peel Region
Rick Farrell, York Region

Service Manager Advisory Committee:
Aileen Baird, Peel Region
Arfona Zwiers, Simcoe County
Glenn Courtney, City of Toronto

Energy Services Stakeholder Advisory Group:
Chris Shilton, CityHousing Hamilton
Michelle Willson & Kelly Miller, Housing York/York Region
Boyd Dyer & Fred Zhang, Toronto Community Housing
Jeff Yeo, District Municipality of Muskoka
Cameron Banach, Niagara Regional Housing

Service Manager Housing Company Network:
Andrew Balahura, Halton Region
Dan Labrecque, Peel Living
Donna Woiceshyn, Niagara Regional Housing
Eleanor MacDonald, Durham Region
Kerry Hobbs, Housing York

LHC Forum:
Hugh Lawson, Toronto Community Housing
Tom Hunter, CityHousing Hamilton



East:

Board:
Ron Holman, Township of Rideau Lakes (Vice Chair)
Stéphane Giguère, Ottawa Community Housing
Graeme Hussey, Cahdco

Service Manager Advisory Committee:
Alison Tutak, United Counties of Leeds & Grenville
Lisa Goodfellow, City of Ottawa
Sheldon Laidman, City of Kingston

Energy Services Stakeholder Advisory Group:
Dan Dicaire, Ottawa Community Housing
Craig Adams, Peterborough Housing

LHC Forum:
Mary Lynn Cousins Brame (Chair), Kingston Frontenac Community Housing
Michael Wilson, Ottawa Community Housing
Darlene Cook, Peterborough Housing
Peggy Fulton, Cornwall and Area Housing

South West:

Board:
Shelley Wilkins, Municipality of Chatham-Kent (also Service Manager Advisory Committee)
Jim Steele, Windsor Essex Community Housing (also LHC Forum)
Renée Kominek, Clairvue Co-Op
Debbie Zock, The Zock Group

LHC Forum:
Josh Browne, London-Middlesex Housing
Deborah Filice, Haldimand Norfolk Housing

Service Manager Housing Company Network:
Deb Schlicter, Waterloo Region

Service Manager Advisory Committee:
Debbie Cercone, City of Windsor
Stephen Giustizia, (Chair) Housing Development Corporation (London)

Energy Services Stakeholder Advisory Group:
Hans Kogel, Windsor Essex Housing
Norm Turner, London-Middlesex Housing
Rizwan Zaeem, Victoria Park Community Homes

HOUSING SERVICES CORPORATION

Summary Consolidated Financial Statements

Year Ended December 31, 2018

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Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Housing Services Corporation

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position and the summary consolidated insurance trust fund statement of financial position as at December 31, 2018, 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, 2018.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements, in accordance with the criteria disclosed in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Entity's audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated June 19, 2019.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the criteria disclosed in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited 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.*

BDO Canada LLP

London, Canada
June 19, 2019

Chartered Professional Accountants
Licensed Public Accountants

HOUSING SERVICES CORPORATION

Summary Consolidated Statement of Financial Position

December 31, 2018

	2018	2017
ASSETS		
Cash	**$ 2,280,670**	$ 1,529,041
Cash and cash equivalents - OCCSDC	**9,374,620**	-
Investments	**8,354,138**	7,622,661
Accounts receivable	**2,758,805**	2,221,433
Gas inventory	**-**	378,000
Taxes other than income taxes recoverable	**-**	159,702
Prepaid expenses	**187,823**	209,682
Due from claims trust fund	**1,696,019**	1,266,398
	24,652,075	13,386,917
Investment in Encasa Financial Inc.	**200,000**	200,000
Loan to HPC Housing Investment Corporation	**1,000,000**	-
Capital assets	**165,747**	207,916
Investment in Chartered Institute of Housing Canada Inc.	**2**	49,819
	$ 26,017,824	$ 13,844,652
LIABILITIES AND NET ASSETS		
Accounts payable	**$ 3,719,821**	$ 2,864,142
Due to OCCSDC	**9,374,620**	-
Taxes other than income taxes payable	**101,758**	-
Deferred revenue	**335,947**	65,187
	13,532,146	2,929,329
NET ASSETS		
Accumulated surplus	**4,638,768**	3,921,019
Reserve funds	**7,846,910**	6,994,304
	12,485,678	10,915,323
	$ 26,017,824	$ 13,844,652

See accompanying notes to the financial statements.

HOUSING SERVICES CORPORATION

Summary Consolidated Insurance Trust Fund Statement of Financial Position

As at December 31, 2018

		2018		2017
ASSETS				
Cash and investments	**$**	**26,378,828**	$	24,186,279
Accounts receivable		**2,067,312**		1,469,423
Deposit with insurance companies		**1,689,525**		1,981,764
	$	**30,135,665**	**$**	27,637,466
LIABILITIES				
Due to insurance companies	**$**	**1,610,241**	$	1,289,270
Balances available for the payment of future claims		**26,071,920**		24,764,603
Due to Ministry of Finance – retail sales tax		**757,485**		317,195
Due to general fund		**1,696,019**		1,266,398
	$	**30,135,665**	$	27,637,466

See accompanying notes to the financial statements.

HOUSING SERVICES CORPORATION

Summary Consolidated Statement of Changes in Net Assets

Year Ended December 31, 2018

	Accumulated Surplus	Reserve Funds	**2018**	2017
NET ASSETS - BEGINNING OF YEAR	$ 3,921,019	$ 6,994,304	**$ 10,915,323**	$ 8,914,154
Excess of revenue over expenditures	1,570,355	-	**1,570,355**	2,001,169
Fund transfers	(852,606)	852,606	**-**	-
NET ASSETS - END OF YEAR	$ 4,638,768	$ 7,846,910	**$ 12,485,678**	$ 10,915,323

See accompanying notes to the financial statements.

HOUSING SERVICES CORPORATION

Summary Consolidated Statement of Revenue and Expenditures

Year Ended December 31, 2018

		2018		2017
REVENUE				
Bulk purchasing program	**$**	**15,803,405**	$	18,140,100
Energy program		**636,980**		115,293
Group insurance program		**1,354,283**		1,278,170
Other sector programs		**1,801,654**		2,878,986
Management fees		**35,857**		50,120
Investment income		**170,147**		216,203
Equity loss on investment in CIH Canada Inc.		**(8,218)**		(18,896)
		19,794,108		22,659,976
EXPENDITURES				
Bulk purchasing program		**14,651,054**		**17,208,171**
Energy program		**425,195**		**243,391**
Group insurance program		**781,557**		**770,035**
Other sector programs		**2,365,947**		**2,437,210**
		18,223.753		20,658,807
Excess of revenue over expenditures for the year		**1,570,335**		2,001,169

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, 2018. The subsidiary includes:

- HSC Insurance Inc.

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
30 Duncan Street, Suite 500
Toronto, Ontario
M5V 2C3
1.866.268.4451
feedback@hscorp.ca
hscorp.ca

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