

CALGARY HOUSING COMPANY

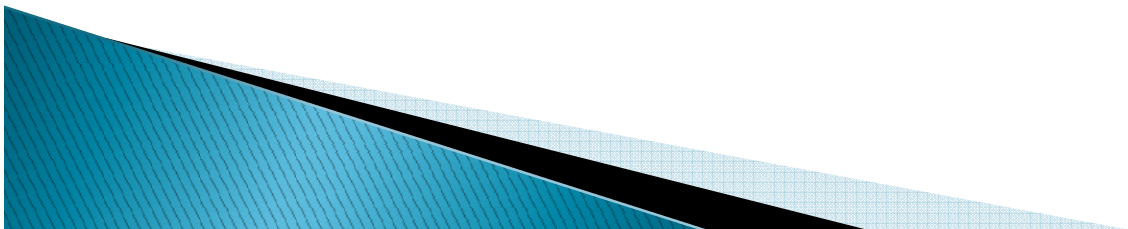
Annual Report to the City Audit Committee

September 22, 2016



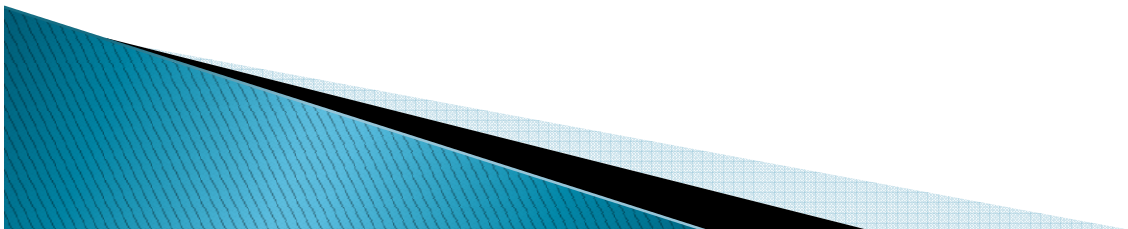
Agenda

- ❖ Overview
- ❖ Governance structure
- ❖ Board composition
- ❖ Recruitment & succession planning
- ❖ Recent financial highlights
- ❖ Key 2013 – 2015 strategic accomplishments
- ❖ Risk report
- ❖ 2015 External audit report
- ❖ 2015 Audited Financial Statements





10,000 HOMES



Calgary Housing by the Numbers

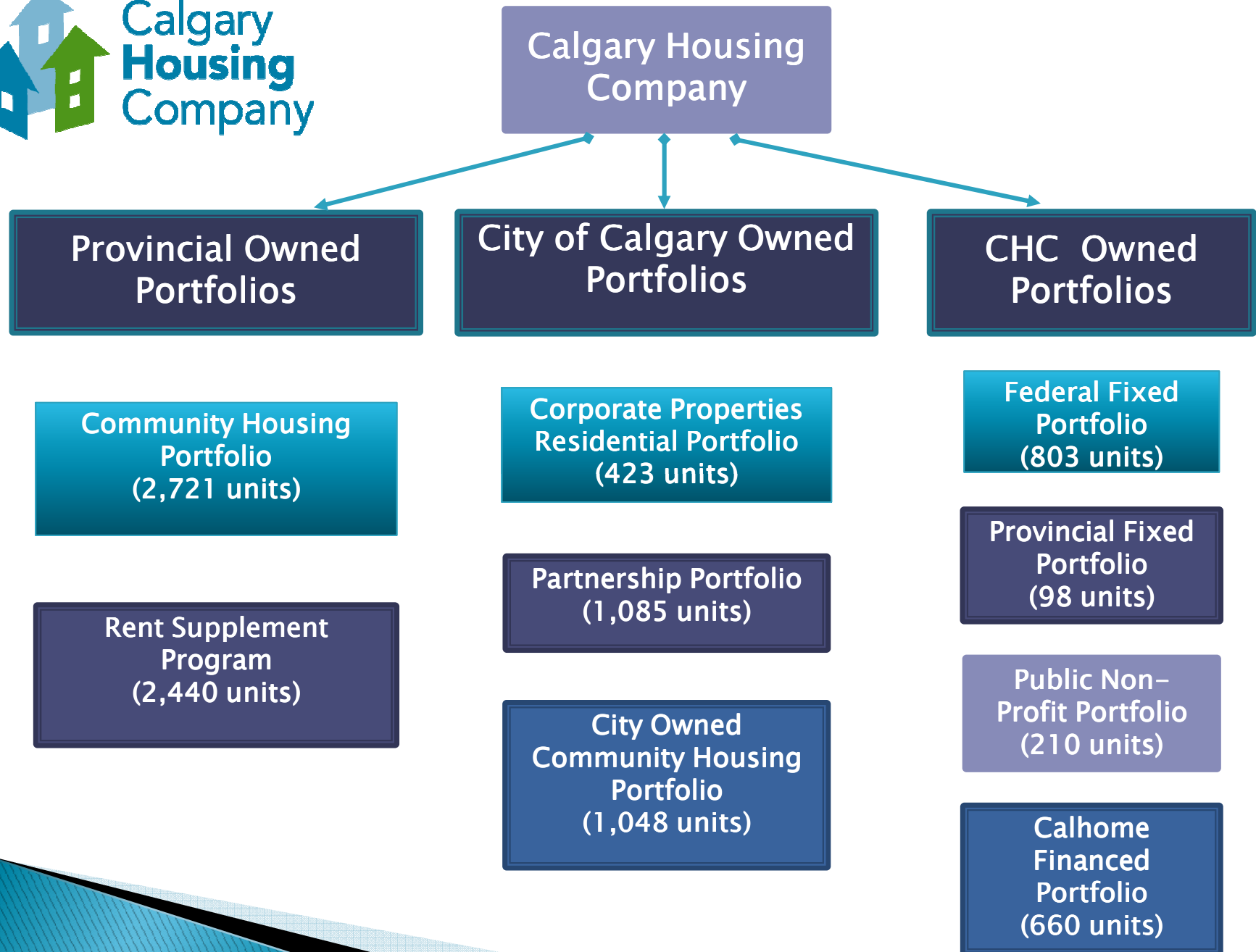
24,363
Housing Tenants

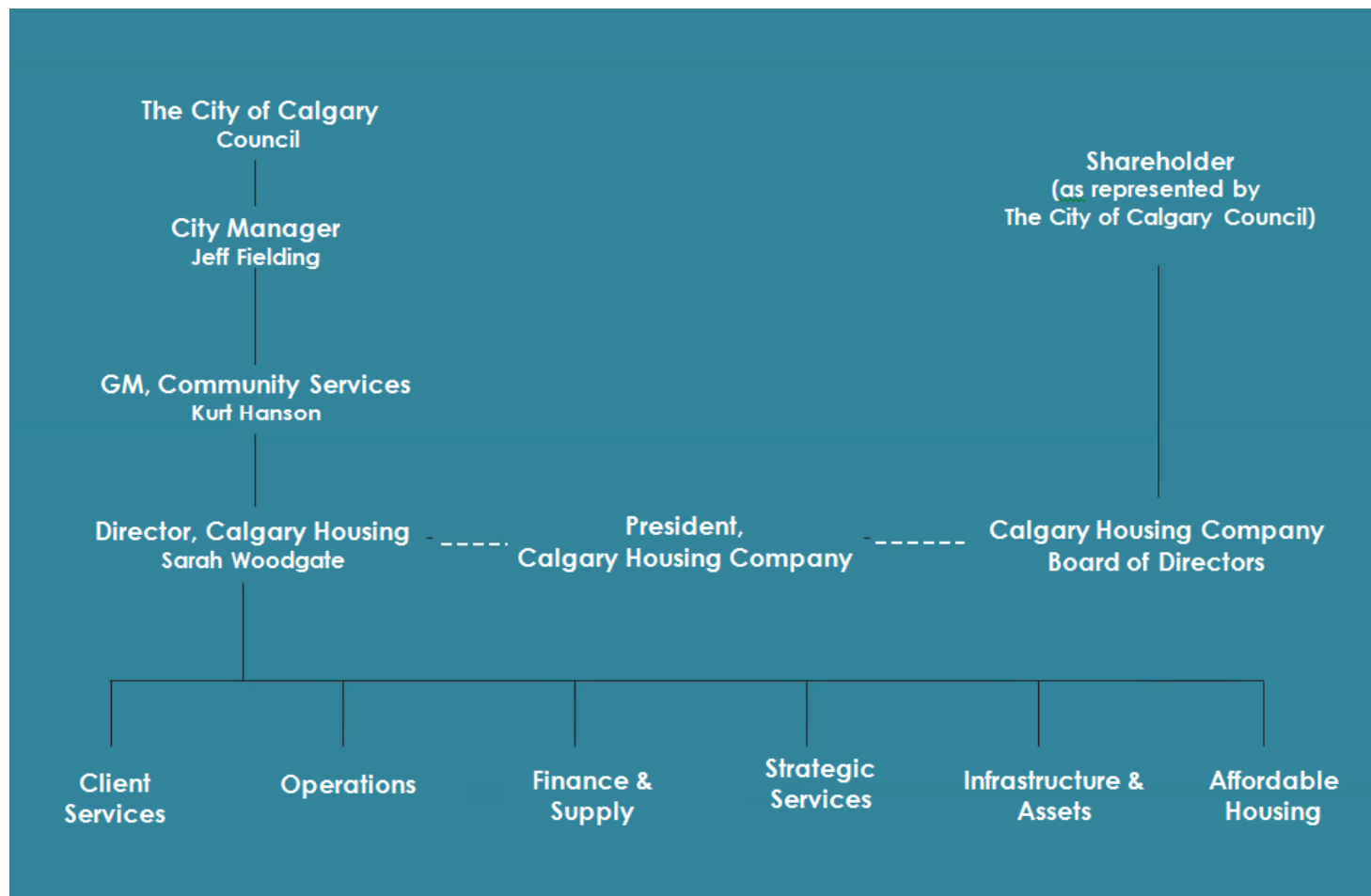
1,007
Seniors

13,577
Adults

6,728
Children 6 - 17

3,051
Pre-School Children







Calgary Housing Company Board Members

Councilor Brian Pincott, Chair

Councilor Sean Chu

Councilor Evan Woolley

Peter Cheung, CA

Moyez Somani, FCMA

Murray Tait

Katie Black

Holly DeSimone

Lauretta Enders

Leslie Tamagi

Beng Koay, CMA

Jeremy Villas

Audit and Risk Committee Members

Peter Cheung, CA, Chair

Beng Koay, CMA

Councilor Brian Pincott

Murray Tait

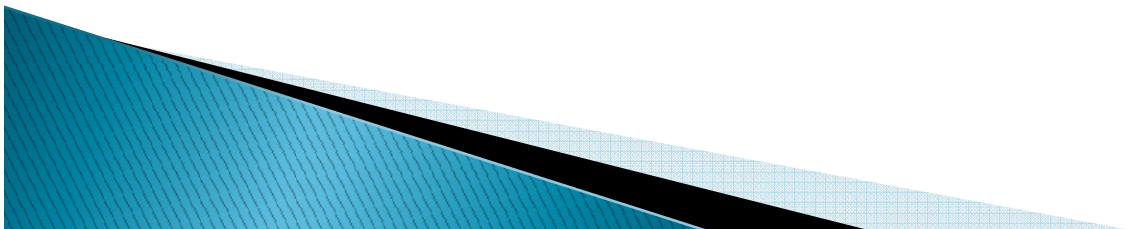
Moyez Somani, FCMA

Recruitment & Succession Planning

- ❖ President appointed in 2015
- ❖ Board recruitment & selection
- ❖ Board succession planning

Recent Financial Highlights

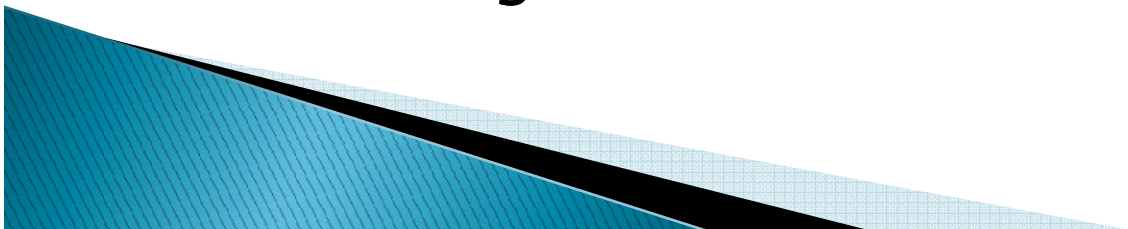
- ❖ Continued challenges due to funding uncertainty
- ❖ Opportunities with expiring operating agreements
- ❖ Economic downturn





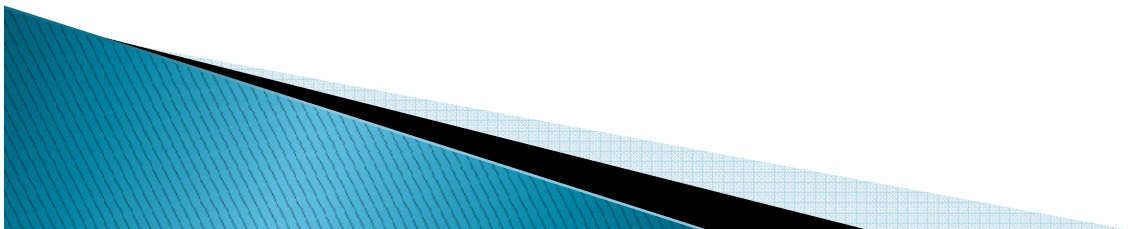
Key 2012 – 2015 Strategic Accomplishments

- I. Our Processes: Increase Organizational Effectiveness
- II. Our Partners: Enhance Client Service and Customer Centricity
- III. Our Workforce: Engage and Empower Employees
- IV. Our Accountability: Sustain Fiscal Responsibility
- V. Our Image: Build Understanding and Positive Image for CHC



Integrated Risk Management (IRM)

- ❖ CHC Board approved the 2016 Integrated Risk Report at the June 24, 2016 Board Meeting
- ❖ 2016 Integrated Risk Report identified 13 risks



Integrated Risk Management (IRM)

Top 3 risks

Funding Uncertainty

- Trending 
- Likelihood 
- Impact 

Rent Revenue

- Trending 
- Likelihood 
- Impact 

Condition of Assets

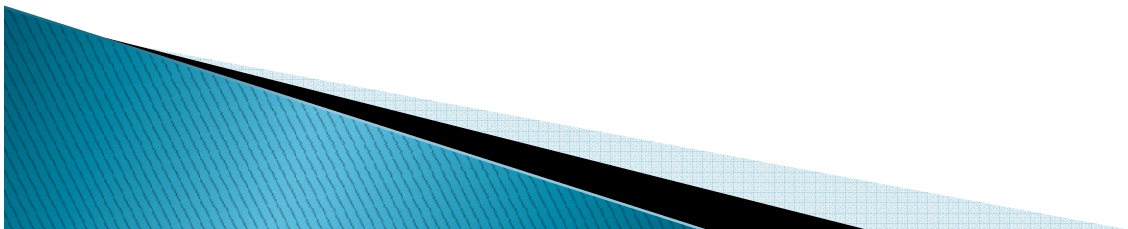
- Trending 
- Likelihood 
- Impact 



External Auditor Report

Deloitte LLP completed the audit of the 2015 financial statements and issued an unqualified audit opinion

- No uncorrected misstatements in the course of the audit
- No unadjusted disclosure deficiencies
- No significant deficiencies in internal control were identified



Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

(Expressed in Thousand of Dollars)

As at December 31

| | 2015 | 2014 |
|--|---------------|---------------|
| Financial Assets | | |
| Cash (Note 3) | 25,887 | 25,314 |
| Receivables | | |
| Rent and others | 601 | 674 |
| Senior governments | 2,761 | 2,415 |
| Assets Held for Sale | 750 | 940 |
| | <u>29,999</u> | <u>29,343</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 6,869 | 5,375 |
| Unearned revenue | 2,174 | 2,121 |
| Payable to senior government | 1,992 | 2,069 |
| Rent supplement advance (Note 4) | 4,255 | 4,255 |
| Tenants' security deposits | 992 | 1,092 |
| Mortgage payable (Note 5) | 15,206 | 20,647 |
| Employee benefit obligation (Note 6) | 1,723 | 1,567 |
| | <u>33,211</u> | <u>37,126</u> |
| NET DEBT | 3,212 | 7,783 |
| Non-Financial Assets | | |
| Tangible capital assets (Note 7) | 92,324 | 92,222 |
| Prepaid expenses | 113 | 108 |
| | <u>92,437</u> | <u>92,330</u> |
| ACCUMULATED SURPLUS (Note 10) | 89,225 | 84,547 |

| | | |
|--------------|--------------|--------------|
| Cash | 2015 | 2014 |
| Restricted | 21,118 | 21,080 |
| Unrestricted | <u>4,769</u> | <u>4,234</u> |
| Total | 25,887 | 25,314 |

| | | |
|--------------------------|---------------|---------------|
| Mortgages Payable | 15,206 | 20,647 |
|--------------------------|---------------|---------------|

| | | |
|--------------------------------|---------------|---------------|
| Tangible Capital Assets | 92,324 | 92,222 |
|--------------------------------|---------------|---------------|



Calgary Housing Company Statement of Operations

STATEMENT OF OPERATIONS
(Expressed in Thousand of Dollars)

For the year ended December 31

| | Budget | 2015 | 2014 |
|---|---------|---------|---------|
| REVENUE | | | |
| Rent Revenue | 49,982 | 50,222 | 49,978 |
| Government transfers | | | |
| Shared cost agreements | 12,926 | 13,654 | 16,771 |
| Restricted funds | 20 | 1,007 | 637 |
| Debt interest rebates | 186 | 169 | 180 |
| Rent supplement | 18,809 | 20,198 | 18,753 |
| Interest income | 348 | 337 | 381 |
| Insurance recoveries (Note 12) | - | 505 | 1,299 |
| Miscellaneous | 879 | 1,341 | 982 |
| | 83,150 | 87,433 | 88,981 |
| EXPENDITURES | | | |
| Administration | 11,936 | 12,381 | 11,035 |
| Amortization of tangible capital assets | 3,081 | 2,860 | 2,873 |
| Debt servicing | 581 | 572 | 727 |
| Maintenance | 14,361 | 16,320 | 17,042 |
| Property operations | 13,038 | 13,994 | 12,383 |
| Rent supplement | 19,697 | 20,932 | 19,591 |
| Taxes and leases | 3,113 | 3,052 | 6,574 |
| Utilities | 10,798 | 9,284 | 9,916 |
| Restricted expenditures (Note 11) | - | 57 | - |
| Insurance (Note 12) | - | 948 | 240 |
| | 76,605 | 80,400 | 80,381 |
| EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS | 6,545 | 7,033 | 8,600 |
| OTHER ITEMS | | | |
| Return to The City of Calgary | (2,799) | (2,144) | (2,235) |
| Replacement reserve contribution | (1,505) | (4,699) | (1,038) |
| Contribution to Community Housing Portfolio | - | - | (600) |
| Revaluation adjustment of Asset Held for Sale | - | (190) | (185) |
| | (4,304) | (7,033) | (4,058) |
| SURPLUS/(DEFICIT) | 2,241 | - | 4,542 |

| | | | |
|---------------------|---------------|-------------|-------------|
| Rent Revenue | Budget | 2015 | 2014 |
| | 49,982 | 50,222 | 49,978 |

| | | | |
|---------------------------|---------------|-------------|-------------|
| Rent Supp. Revenue | Budget | 2015 | 2014 |
| | 18,809 | 20,198 | 18,753 |

| | | | |
|----------------------|---------------|-------------|-------------|
| Admin Expense | Budget | 2015 | 2014 |
| | 11,936 | 12,381 | 11,035 |

| | | | |
|-----------------------|---------------|-------------|-------------|
| Maint. Expense | Budget | 2015 | 2014 |
| | 14,361 | 16,320 | 17,042 |

| | | | |
|--------------------------------------|---------------|-------------|-------------|
| Return to The City | Budget | 2015 | 2014 |
| | (2,799) | (2,144) | (2,235) |
| (City owned, CHC managed portfolios) | | | |

| | | | |
|----------------------------|---------------|-------------|-------------|
| Replacement Reserve | Budget | 2015 | 2014 |
| | (1,505) | (4,699) | (1,038) |
| (CHC owned portfolios) | | | |

Capital Expenditures

| | 2015 Budget | 2015 Actual | 2014 Actual |
|---------------------------|-----------------|-----------------|-----------------|
| Calhome Owned Assets | | | |
| Building betterments | \$ 3,156 | \$ 2,718 | \$ 1,387 |
| IT | 562 | 127 | 153 |
| Other | 177 | 117 | 257 |
| | \$ 3,895 | \$ 2,962 | \$ 1,797 |
| Provincially Owned Assets | | | |
| Building betterments | - | \$ 2,653 | \$ 2,050 |



THANK YOU