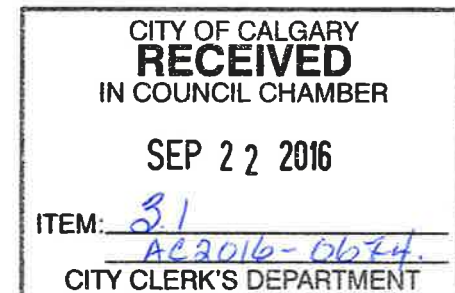


CALGARY HOUSING COMPANY

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

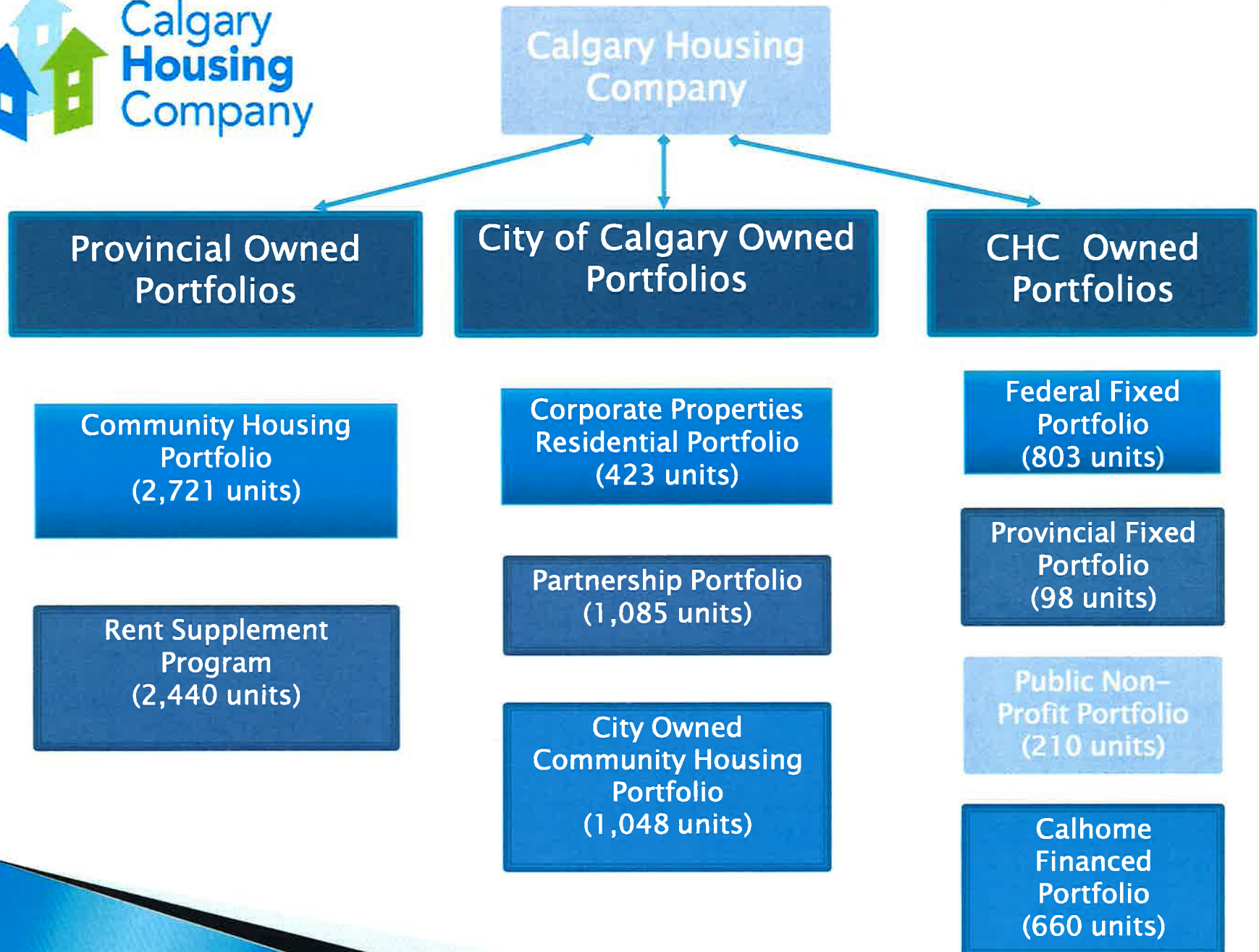
24,363
Housing Tenants

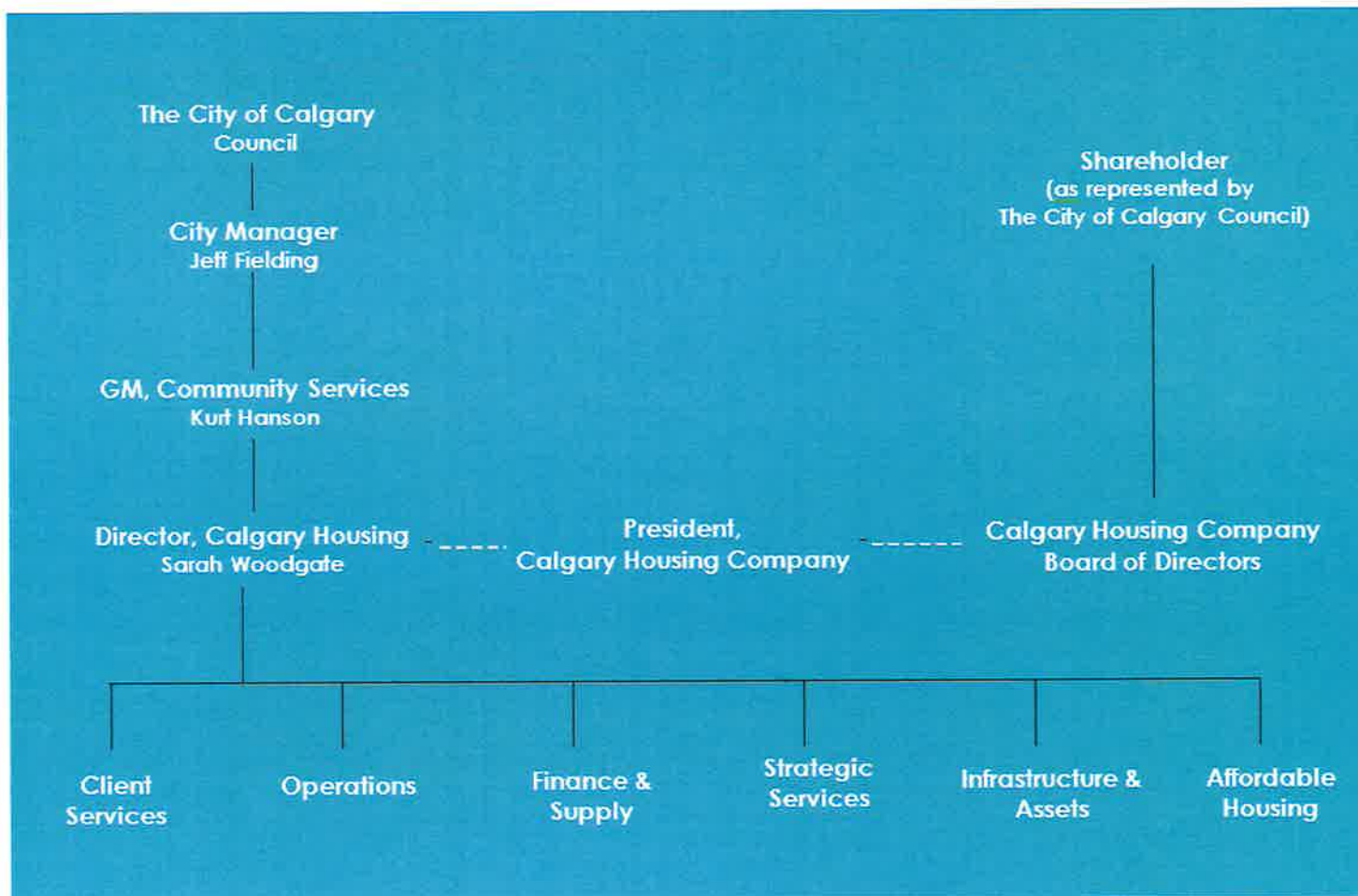
1,007
Seniors

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	4,769	4,234
Total	25,887	25,314

Mortgages Payable	15,206	20,647
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Tangible Capital Assets	92,324	92,222
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**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 18,809 20,198 18,753

Admin Expense 11,936 12,381 11,035

Maint. Expense 14,361 16,320 17,042

Return to The City (2,799) (2,144) (2,235)
(City owned, CHC managed portfolios)

Replacement Reserve (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