








ISC: UNRESTRICTED
AC2015-0723
Attachment 6

Calgary Housing Company

Annual Report To The City Audit Committee

October 2015

AGENDA

-  CHC overview
-  Governance structure
-  Recent financial highlights
-  Key 2015 initiatives/strategies
-  Risk report
-  External audit report
-  2014 Audited Financial Statements

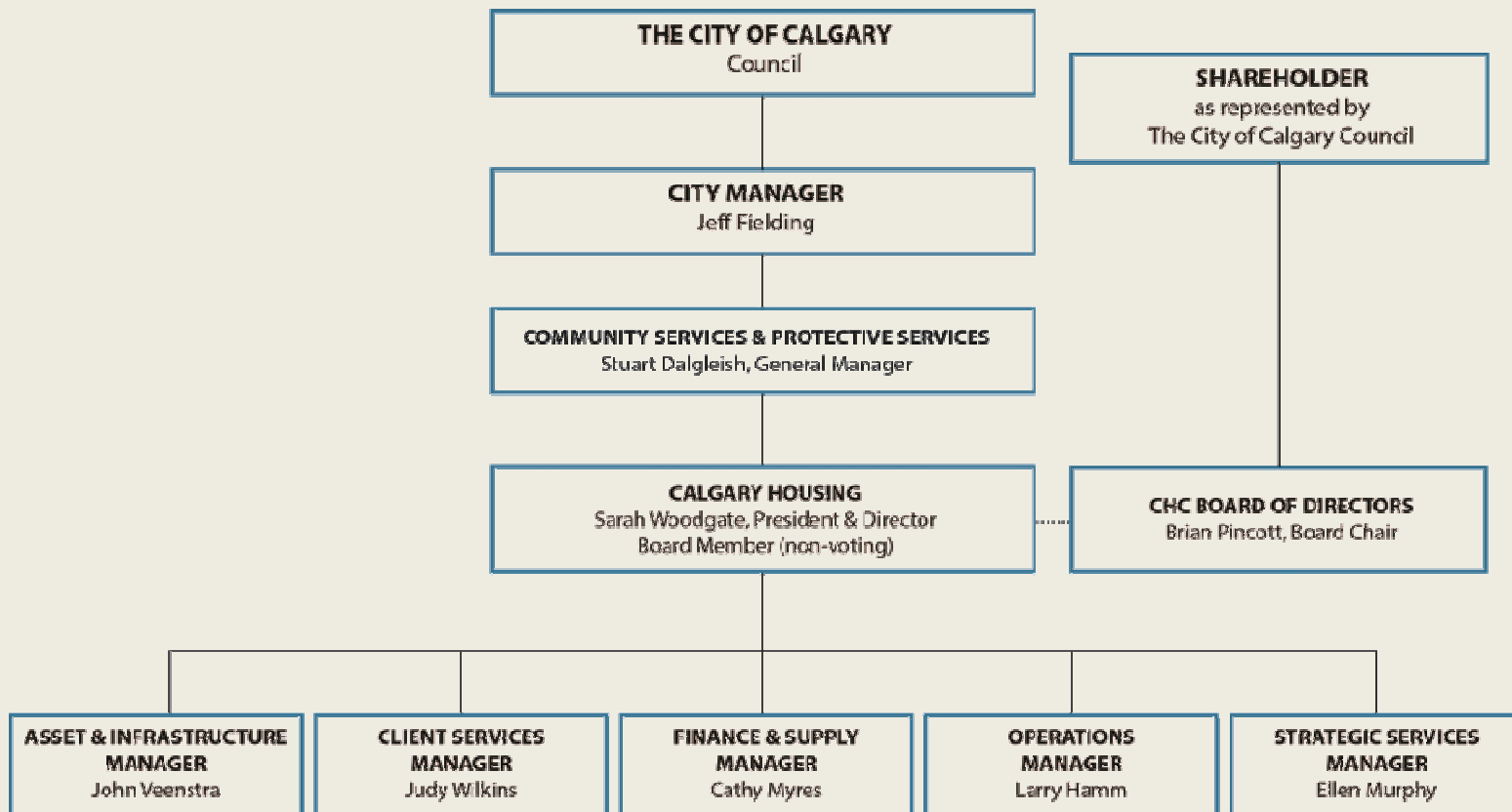
CHC Overview

The largest
residential landlord
in Calgary

Manage rental
units and
supplements for
approximately
9,700 households

Provides housing to
25,000 residents –
10,000 are children

Governance Structure



Recent Financial Highlights

Budgets under provincial funding are not meeting program needs



Challenge in operating and maintaining units due to funding uncertainty

Previous government indicated budgets would be flat-lined for the next three years

Key 2015 Initiatives/Strategy

Link to Action Plan P6 – Increase affordable and accessible housing options



Undertake business process redesign projects to increase efficiency and effectiveness of affordable housing operations and services

Negotiate funding and partnership agreements with the Province and City to ensure an ongoing ability to meet client needs.

Integrated Risk Management (IRM)

CHC Board approved the 2015 Risk Report at the May 22, 2015 Board Meeting

2015 Risk Report identified 13 risks

Funding uncertainty

Top 2 risks

Asset conditions

Integrated Risk Management Mitigation Plan

Critical Risk – Funding uncertainty
Action Plan



Ongoing
discussions with
the Province
regarding budget
shortfalls

Tight controls on
spending

Development of
sustainable plan
to address end of
operating
agreements and
funding.

Integrated Risk Management Mitigation Plan

Critical Risk – Asset conditions
Action Plan

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graph TD; A[Critical Risk – Asset conditions Action Plan] --> B[Execute the CHC owned real estate strategy project plan (Life safety, Envelope, Life-cycle)]; A --> C[Development of long term life-cycle funding plans];
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Execute the CHC owned real estate strategy project plan
(Life safety, Envelope, Life-cycle)

Development of long term
life-cycle funding plans

External Auditor Report

Deloitte & Touche LLP completed the audit of 2014 financial statements and issued a clean audit report

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

(Expressed in Thousand of Dollars)

As at December 31

	2014	2013
FINANCIAL ASSETS		
Cash	25,314	25,661
Receivables		
Rent and others	674	1,495
Senior governments	2,415	2,435
Asset Held for Sale	940	1,125
	<u>29,343</u>	<u>30,716</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	5,375	6,261
Unearned revenue	2,121	2,011
Payable to senior government	2,069	3,931
Rent supplement advance	4,255	4,255
Tenants' security deposits	1,092	1,160
Mortgages payable	20,647	26,027
Employee benefit obligation	1,567	1,520
	<u>37,126</u>	<u>45,165</u>
NET DEBT	7,783	14,449
NON-FINANCIAL ASSETS		
Tangible capital assets	92,222	93,298
Prepaid expenses	108	118
	<u>92,330</u>	<u>93,416</u>
ACCUMULATED SURPLUS	84,547	78,967

Cash	2014	2013
	25,314	25,661

Mortgages Payable	20,647	26,027
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Tangible Capital Assets	92,222	93,298
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Statement of Operations

STATEMENT OF OPERATIONS

(Expressed in Thousand of Dollars)

For the year ended December 31

	Budget	2014	2013
REVENUE			
Rent Revenue	48,825	49,978	47,462
Government transfers			
Shared cost agreements	15,766	15,933	14,106
Conditional grants and restricted funds	600	637	663
Debt interest rebates	185	180	201
Rent supplement	24,170	19,591	21,133
Interest income	323	381	352
Insurance recoveries	-	1,299	1,516
Miscellaneous	492	982	871
	90,361	88,981	86,304
EXPENDITURES			
Administration	11,454	11,035	9,704
Amortization of tangible capital assets	2,860	2,873	2,779
Debt servicing	738	727	884
Maintenance	15,337	17,042	13,929
Property operations	12,898	12,383	12,039
Rent supplement payments	24,170	19,591	21,133
Taxes and leases	7,080	6,574	6,620
Utilities	9,510	9,916	8,953
Insurance expenses	-	240	2,635
	84,047	80,381	78,676
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS	6,314	8,600	7,628
OTHER ITEMS			
Return to The City of Calgary	(2,387)	(2,235)	(2,113)
Replacement reserve contribution	(1,523)	(1,038)	85
Contribution to City Owned Community Housing	(600)	(600)	-
Insurance proceeds for capital	-	-	230
Revaluation adjustment of Asset Held for Sale	-	(185)	-
Gain from sale	-	-	11
	(4,510)	(4,058)	(1,787)
SURPLUS	1,804	4,542	5,841

Rent Revenue	Budget	2014	2013
	48,825	49,978	47,462

Rent Supp. Revenue	24,170	19,591	21,133
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Admin Expense	11,454	11,035	9,704
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Maintenance Expense	15,337	17,042	13,929
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Return to The City	(2,387)	(2,235)	(2,113)
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Surplus	1,804	4,542	5,841
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THANK YOU