



AC2017-1230
Attachment 1
#7.1

Annual Report to City Audit Committee

Thursday, September 14, 2017

Agenda

- ❖ Overview
- ❖ Governance structure
- ❖ Key 2017 strategic initiatives
- ❖ 2017 Risk report
- ❖ External Audit Report
- ❖ 2016 Financial highlights



Home is what we do.



Celebrating
Neighbour Day
in Deer Run.



CHC by the numbers

24,979 housing tenants

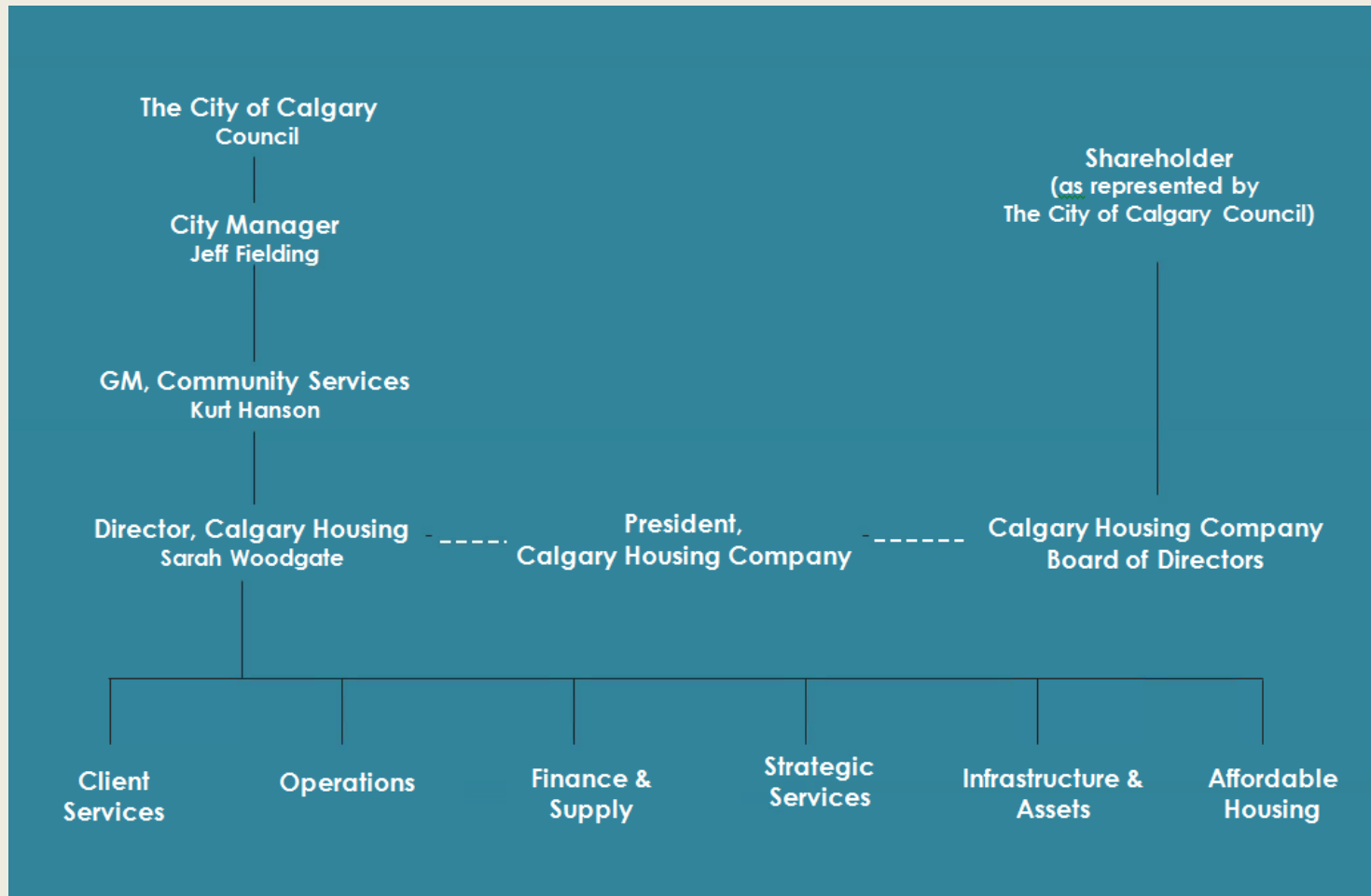
14,060 adults

9,892 children
(17 and under)

1,027 seniors



CHC Governance Structure



CHC Board Composition

- 3 Council members
- Director of Calgary Neighborhoods
- City Treasurer
- 2 Development and Property Management experts
- 3-5 citizen representatives
- 1 tenant representative



CHC's 2016 – 2020 strategic priorities

Deliver quality customer service

Increase financial sustainability
including the optimization of assets

Strengthen relationships with
key stakeholders

Strive for organizational excellence



Integrated Risk Management

Top Rated Risks




Funding uncertainty

Trending 
Likelihood 
Impact 

Rent Revenue

Trending 
Likelihood 
Impact 

Reserve Funds

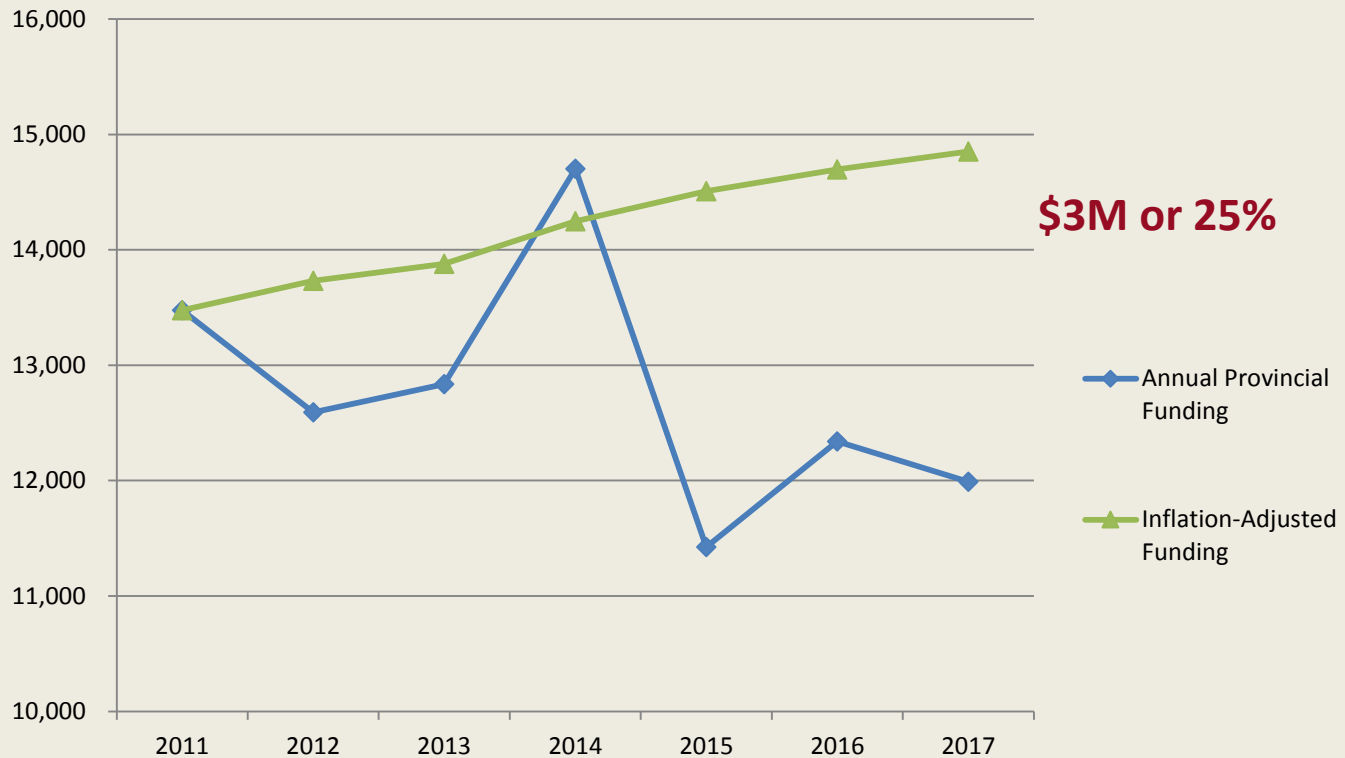
Trending 
Likelihood 
Impact 

Condition of Third Party
Owned Assets

Trending **New Risk**
Likelihood 
Impact 



Social Housing Operating Subsidy



External Audit Report

Deloitte LLP completed the audit of the 2016 financial statements and issued an unqualified audit opinion

- ❖ No corrected or 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 Thousands of Dollars)

As at December 31, 2016

	2016	2015
Financial Assets		
Cash (Note 3)	\$ 28,896	\$ 25,887
Receivables		
Rent and others	634	601
Government	2,353	2,761
Assets held for sale (Note 2)	-	750
	<u>31,883</u>	<u>29,999</u>
Liabilities		
Accounts payable and accrued liabilities	6,188	6,869
Unearned tenant rent revenue	1,670	2,174
Deferred grants (Note 3)	8,480	721
Payable to government	1,662	1,271
Rent supplement advance (Note 4)	4,255	4,255
Tenants' security deposits	1,089	992
Mortgage payable (Note 5)	16,476	15,206
Employee benefit obligation (Note 6)	1,813	1,723
	<u>41,633</u>	<u>33,211</u>
NET DEBT	9,750	3,212
Non-Financial Assets		
Tangible capital assets (Note 7)	102,181	92,324
Prepaid expenses	121	113
	<u>102,302</u>	<u>92,437</u>
ACCUMULATED SURPLUS (Note 10)	\$ 92,552	\$ 89,225

Cash	2016	2015
Restricted	24,894	21,118
Unrestricted	<u>4,002</u>	<u>4,769</u>
Total	28,896	25,887

Mortgages Payable	16,476	15,206
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Tangible Capital Assets	102,181	92,324
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Statement of Operations

STATEMENT OF OPERATIONS (Expressed in Thousands of Dollars)

For the year ended December 31, 2016

	BUDGET	2016	2015
REVENUE			
Rent revenue	\$ 49,803	\$48,040	\$50,222
Government transfers			
Shared cost agreements	13,734	13,938	13,654
Restricted funds	-	5,589	1,007
Debt interest rebates	123	239	169
Rent supplement	19,982	18,817	20,198
Interest income	348	318	337
Insurance recoveries (Note 12)	-	893	505
Miscellaneous	1,196	1,190	1,341
	<u>85,186</u>	<u>89,024</u>	<u>87,433</u>
EXPENSES			
Administration	7,407	6,419	6,182
Amortization of tangible capital assets	2,866	3,086	2,860
Debt servicing	559	518	572
Maintenance	15,048	16,022	16,320
Property operations	21,666	20,829	20,193
Rent supplement	20,783	19,531	20,932
Taxes and leases	3,248	3,278	3,052
Utilities	10,817	9,500	9,284
Insurance (Note 12)	-	402	948
Restricted expenses (Note 11)	-	153	57
	<u>82,394</u>	<u>79,738</u>	<u>80,400</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	2,792	9,286	7,033
OTHER ITEMS			
Return to The City of Calgary	(844)	(2,054)	(2,144)
Loss on asset disposal (Note 7)	-	(55)	-
Revaluation adjustment of asset held for sale	-	-	(190)
	<u>(844)</u>	<u>(2,109)</u>	<u>(2,334)</u>
SURPLUS	<u>\$ 1,948</u>	<u>\$ 7,177</u>	<u>\$ 4,699</u>

Rent Revenue	Budget	2016	2015
	49,803	48,040	50,222

Rent Supp. Revenue	Budget	2016	2015
	19,982	18,817	20,198

Admin Expense	Budget	2016	2015
	7,407	6,419	6,182

Maint. Expense	Budget	2016	2015
	15,048	16,022	16,320

Return to The City	Budget	2016	2015
(City owned, CHC managed portfolios)	(844)	(2,054)	(2,144)



Capital Expenditures

	2016 Budget	2016 Actual	2015 Actual
Calhome Owned Assets			
Building Acquisition	\$0	\$11,541	\$0
Building betterments	2,441	1,320	2,718
IT	1,519	0	127
Other	305	138	117
	\$4,265	\$ 12,999	\$ 2,962
Provincially Owned Assets			
Building betterments	-		\$ 2,653



