

CALGARY HOUSING COMPANY

Annual Report To The City Audit Committee

2014





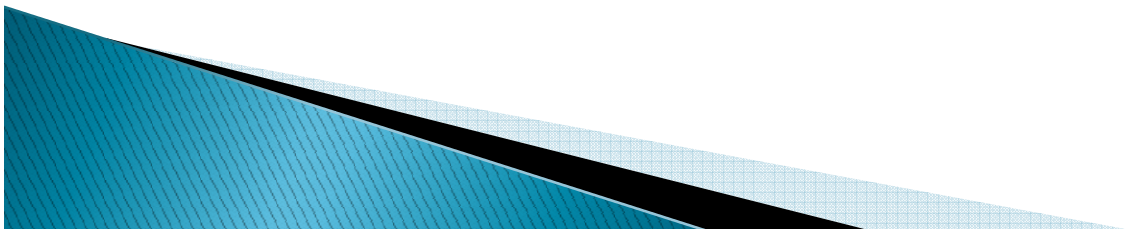
Agenda

- ❖ Overview
- ❖ Terms of Reference
- ❖ 2014 Work Plan
- ❖ Audit & Risk Management Committee Members
- ❖ Integrated Risk Management
- ❖ Internal Control Environment
- ❖ 2013 Audited Financial Statements



Corporate Overview

- ❖ Delivers safe and affordable housing solutions to meet the needs of Calgarians not served by the market place
- ❖ Owns or manages on behalf of government partners the delivery of approximately 7,150 housing units
- ❖ Delivers provincial rent supplement programs in support of approximately 2,700 units



Audit & Risk Management Committee Terms of Reference

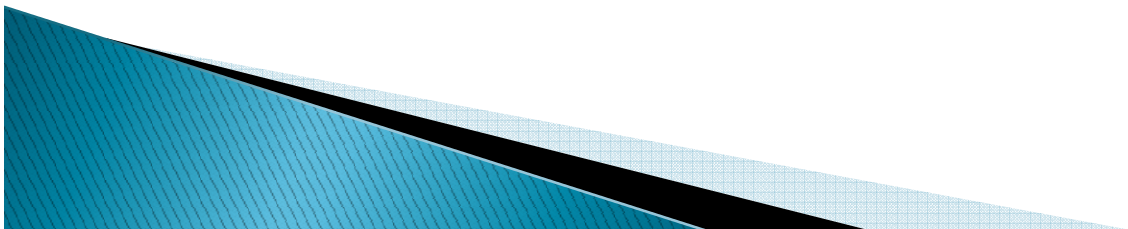
- ❖ Reports to CHC Board of Directors
- ❖ Mandate:
 - Review financial information
 - Review systems of internal controls
 - Review the annual audit process
 - Oversees the development, implementation and monitoring of corporate risk management strategies



Audit & Risk Management Committee 2014 Work Plan

Review of:

- ❖ 2013 Audited Financial Statements
- ❖ Year end communications with auditors
- ❖ Quarterly financial reports
- ❖ Integrated Risk Management plan
- ❖ Internal Controls
- ❖ Committee Terms of Reference
- ❖ CHC 2015 Budget
- ❖ 2014 Audit Plan and process





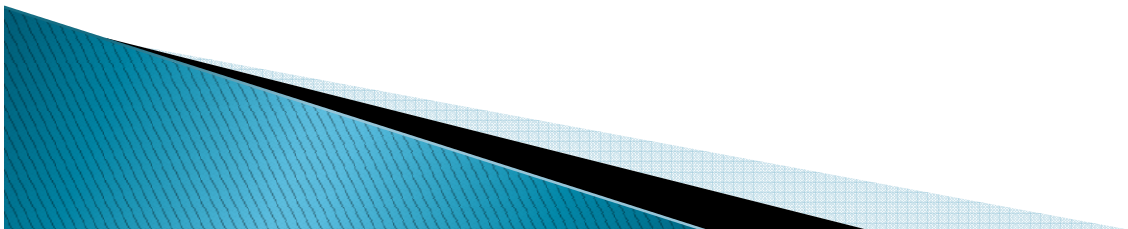
Audit & Risk Management Committee Members

- ❖ Moyez Somani, Chair, FCMA
- ❖ Councillor Brian Pincott
- ❖ John Milino
- ❖ Joel Armitage
- ❖ Beng Koay, CMA



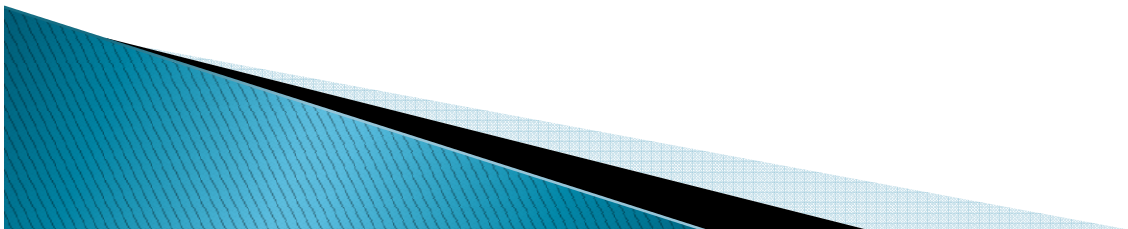
Internal Control Environment

- ❖ Consists of documented internal control procedures
- ❖ Proper segregation of duties and authorities
- ❖ Attraction and retention of competent & qualified professional staff



Integrated Risk Management (IRM)

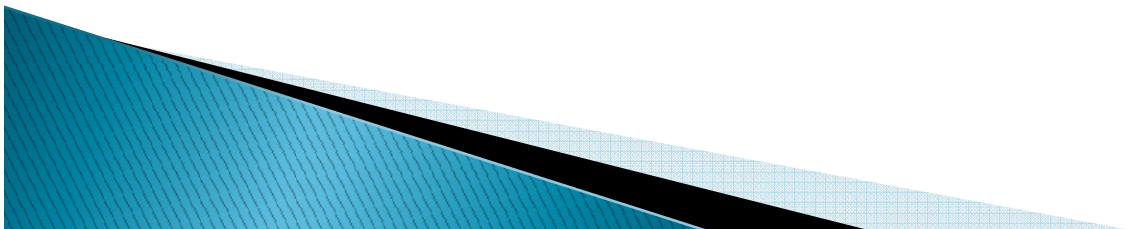
- ❖ CHC Board approved the adoption and implementation of the City's IRM Policy as a model for CHC on May 27, 2011
- ❖ An initial list of risks were identified
- ❖ Education provided to all staff
- ❖ Board receives annual updated IRM report





Integrated Risk Management Current Status

- ❖ 2014 risk review identified 13 risks
- ❖ Top 3 risks
 - Ageing assets
 - Cost of externally sourced services
 - Recruitment and retention of staff

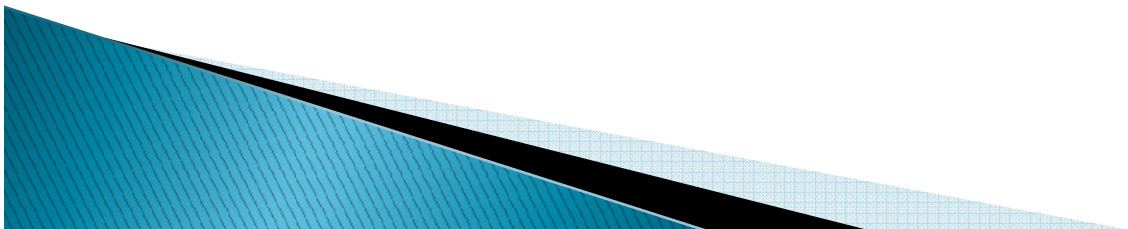




Integrated Risk Management Action Plan

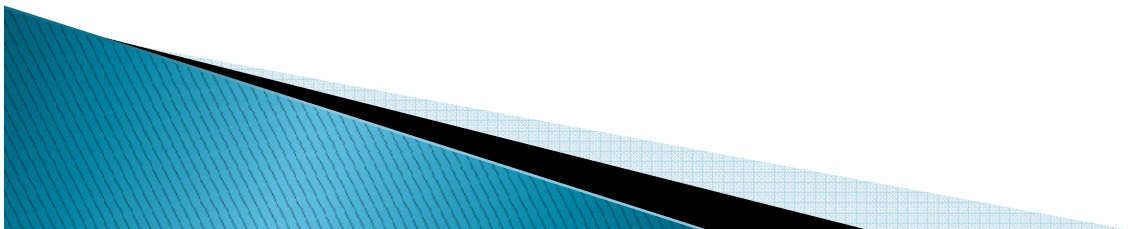
Critical Risk – Ageing assets

- ❖ Action Plan
 - Implemented the building condition assessments program
 - Development of long term life-cycle funding plans
 - Development of a hazardous substance database



Audited Financial Statements

- ❖ Deloitte & Touche LLP completed the audit of 2013 financial statements
 - There were no significant audit adjustments
 - No identified instances of fraud
 - No identified significant weaknesses in internal control





STATEMENT OF FINANCIAL POSITION

(Expressed in Thousand of Dollars)

As at December 31

	<u>2013</u>	<u>2012</u>
Financial Assets		
Cash	25,661	23,585
Receivables		
Rent and others	1,495	1,173
Senior Governments	1,657	1,613
Assets Held for Sale	1,125	1,125
	<u>29,938</u>	<u>27,496</u>
Liabilities		
Accounts payable and accrued liabilities	6,261	6,359
Unearned revenue	2,011	2,320
Payable to senior government	3,332	2,176
Rent supplement advance	4,076	4,580
Tenants' security deposits	1,160	1,134
Mortgage payable	26,027	31,262
Employee benefit obligation	1,520	1,362
	<u>44,387</u>	<u>49,193</u>
NET DEBT	14,449	21,697
Non-Financial Assets		
Tangible capital assets	93,298	94,891
Prepaid expenses	118	110
	<u>93,416</u>	<u>95,001</u>
ACCUMULATED SURPLUS	<u>78,967</u>	<u>73,304</u>

For the year ended December 31

	Budget Unaudited	2013	2012
REVENUE			
Rent Revenue	46,109	47,462	45,586
Government transfers			
Shared cost agreements	13,922	14,106	12,925
Conditional grants and restricted funds	75	663	4,968
Debt interest rebates	281	201	535
Rent supplement	22,629	21,133	22,663
Interest income	237	352	266
Miscellaneous	724	2,387	1,519
	<u>83,977</u>	<u>86,304</u>	<u>88,462</u>
EXPENDITURES			
Administration	11,360	9,704	8,725
Amortization of tangible capital assets	2,885	2,779	2,769
Debt servicing	888	884	1,180
Maintenance	15,050	16,564	19,959
Property operations	11,323	12,039	11,036
Rent supplement payments	22,629	21,133	22,663
Taxes and leases	6,280	6,620	6,096
Utilities	9,061	8,953	7,749
	<u>79,476</u>	<u>78,676</u>	<u>80,177</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS			
	4,501	7,628	8,285
OTHER ITEMS			
Return to The City of Calgary	(984)	(2,113)	(1,596)
Replacement Reserve for Capital	-	85	221
Insurance Proceeds for Capital	-	230	-
Assets held for sale revenues (expenses)			
Revaluation adjustment	-	-	(18)
Gain from sale	-	-	10
Gain on sale of assets	-	11	-
	<u>(984)</u>	<u>(1,787)</u>	<u>(1,383)</u>
SURPLUS			
	<u>3,517</u>	<u>5,841</u>	<u>6,902</u>



THANK YOU