

# 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



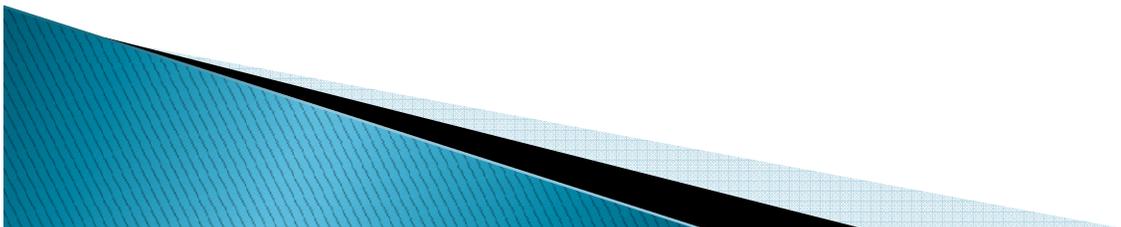
## Internal Control Environment

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



## Integrated Risk Management (IRM)

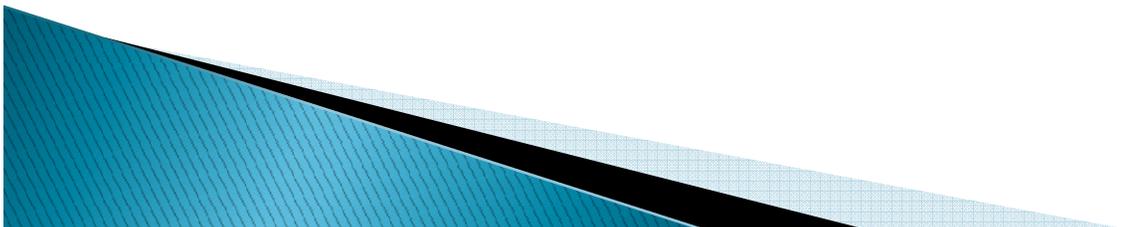
- ❖ CHC Board approved the adoption and implementation of the City's IRM Policy as a model for CHC on May 27, 2011
- ❖ An initial list of risks were identified
- ❖ Education provided to all staff
- ❖ Board receives annual updated IRM report





## 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

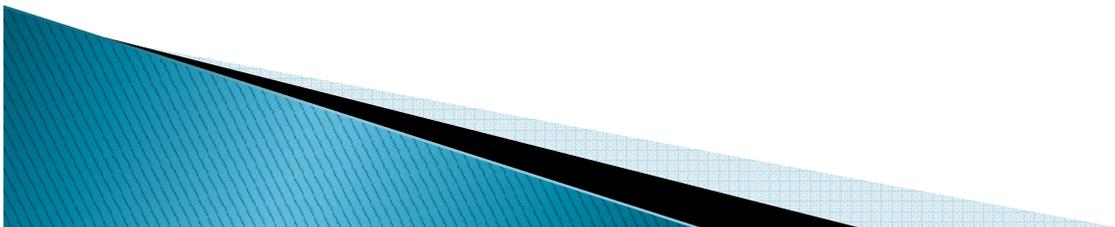




## Integrated Risk Management Action Plan

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>
<b>Financial Assets</b>		
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>
<b>Liabilities</b>		
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>
<b>NET DEBT</b>	<b>14,449</b>	<b>21,697</b>
<b>Non-Financial Assets</b>		
Tangible capital assets	93,298	94,891
Prepaid expenses	118	110
	<u>93,416</u>	<u>95,001</u>
<b>ACCUMULATED SURPLUS</b>	<b><u>78,967</u></b>	<b><u>73,304</u></b>



For the year ended December 31

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



THANK YOU

