



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.



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CHC by the numbers

24,979 housing tenants

14,060 adults

9,892 children
(17 and under)

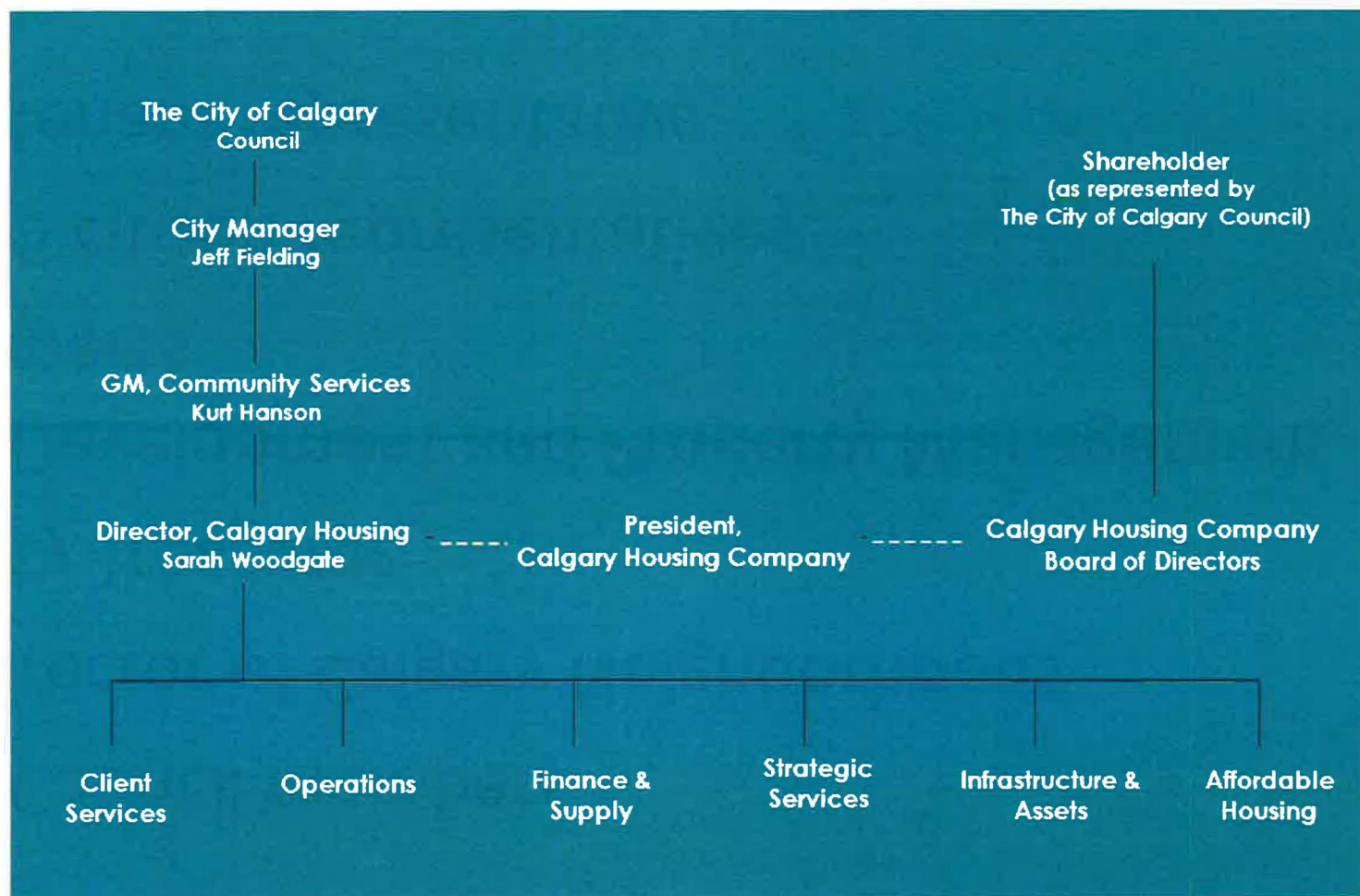
1,027 seniors



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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 

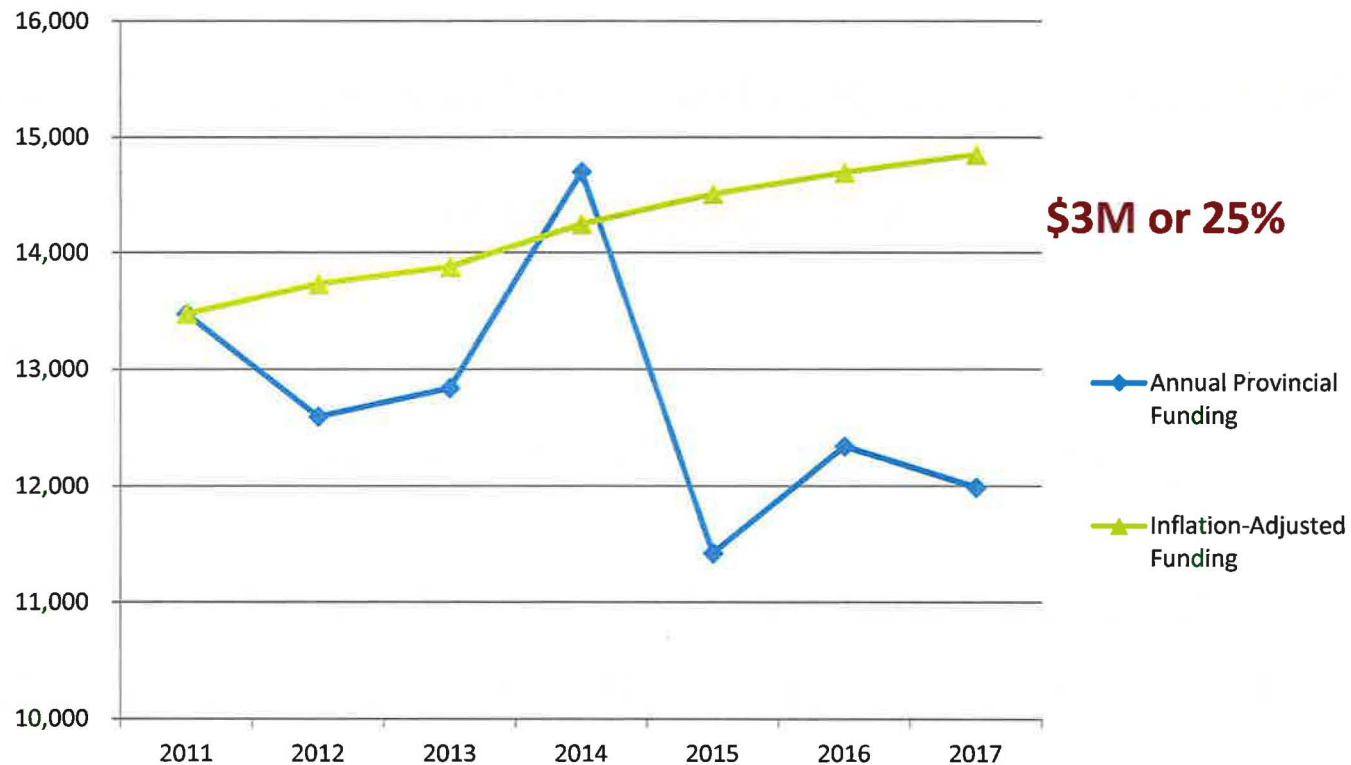
Reserve Funds

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 |
| | 31,883 | 29,999 |
| 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 |
| | 41,633 | 33,211 |
| NET DEBT | 9,750 | 3,212 |
| Non-Financial Assets | | |
| Tangible capital assets (Note 7) | 102,181 | 92,324 |
| Prepaid expenses | 121 | 113 |
| | 102,302 | 92,437 |
| ACCUMULATED SURPLUS (Note 10) | \$ 92,552 | \$ 89,225 |

| Cash | 2016 | 2015 |
|--------------|--------|--------|
| Restricted | 24,894 | 21,118 |
| Unrestricted | 4,002 | 4,769 |
| Total | 28,896 | 25,887 |

| | | |
|--------------------------|---------------|---------------|
| Mortgages Payable | 16,476 | 15,206 |
|--------------------------|---------------|---------------|

| | | |
|--------------------------------|----------------|---------------|
| Tangible Capital Assets | 102,181 | 92,324 |
|--------------------------------|----------------|---------------|

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 | \$ 1,948 | \$ 7,177 | \$ 4,699 |

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

| | | | |
|--------------------|--------|--------|--------|
| Rent Supp. Revenue | 19,982 | 18,817 | 20,198 |
|--------------------|--------|--------|--------|

| | | | |
|---------------|-------|-------|-------|
| Admin Expense | 7,407 | 6,419 | 6,182 |
|---------------|-------|-------|-------|

| | | | |
|----------------|--------|--------|--------|
| Maint. Expense | 15,048 | 16,022 | 16,320 |
|----------------|--------|--------|--------|

| | | | |
|--|-------|---------|---------|
| Return to The City (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 |



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