



2017 Annual Report to City Audit Committee

Tuesday, September 18, 2018

Agenda

- ❖ Overview
- ❖ Governance structure
- ❖ Key 2018 strategic initiatives
- ❖ 2018 Risk report
- ❖ External Audit Report
- ❖ 2018 Financial highlights

Home is what we do.



Louise Station
resident Lana

CHC by the numbers

25,000
Housing Tenants

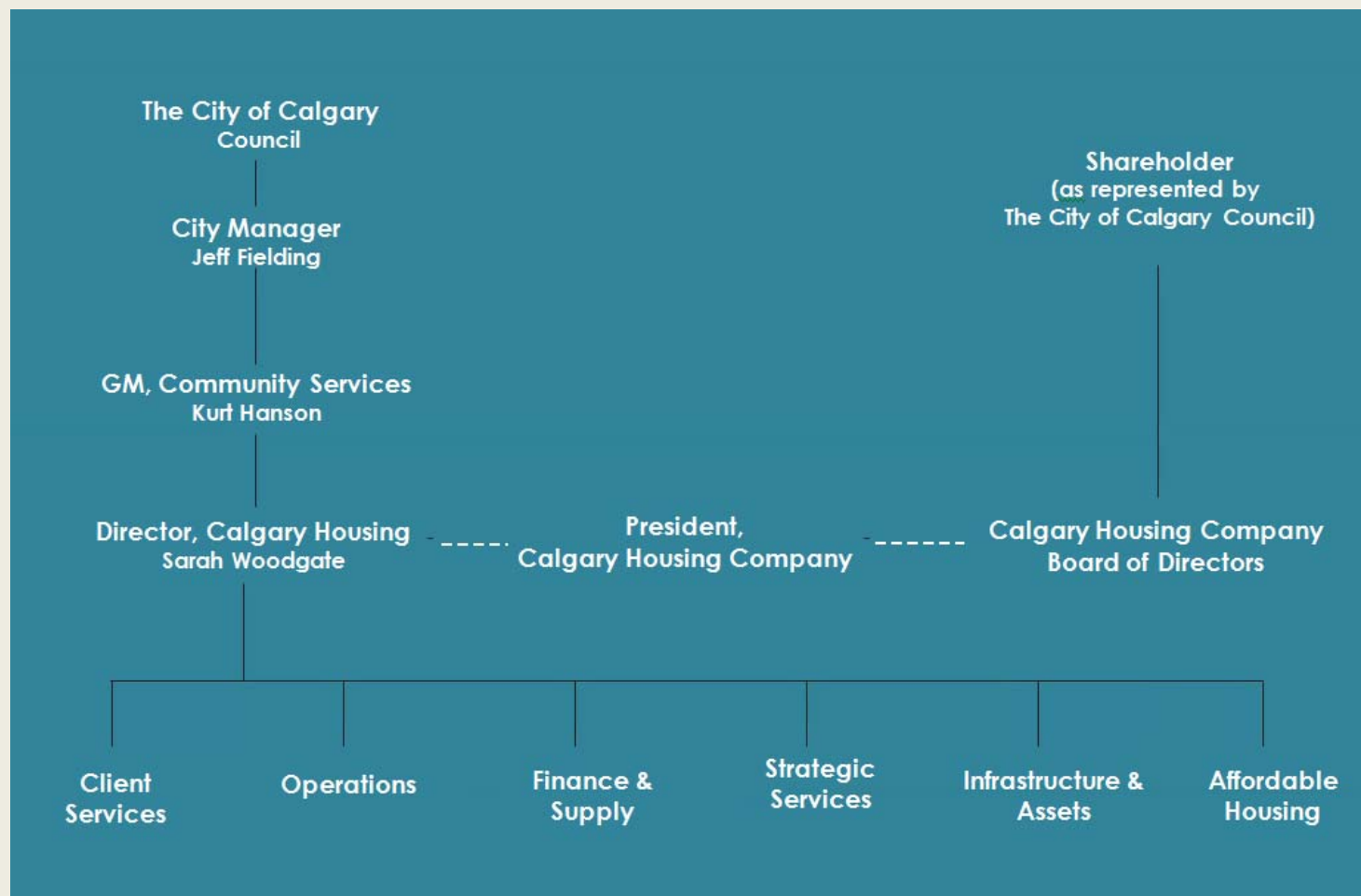
1,100
Seniors

14,000
Adults

6,700
Children
6-17

2,600
Pre-School
Children

CHC Governance Structure



CHC Board Composition

- Minimum 2 Council members
- Director of Calgary Neighborhoods
- City Treasurer
- 6-8 citizen representatives

CHC's 2016 – 2022 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 




Vacancy and Rent
Revenue

Trending 
Likelihood 
Impact 

Reserve Funds

Trending 
Likelihood 
Impact 

Condition of Third Party
Owned Assets

Trending 
Likelihood 
Impact 

External Audit Report

Deloitte LLP completed the audit of the 2017 financial statements and issued an unqualified audit opinion

- ❖ One uncorrected misstatement in the course of the audit
- ❖ No corrected misstatements in the course of the audit
- ❖ No disclosure deficiencies identified
- ❖ 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, 2017

| | 2017 | 2016 |
|--|------------------|------------------|
| Financial Assets | | |
| Cash (Note 3) | \$ 34,183 | \$ 28,896 |
| Receivables | | |
| Rent and others | 680 | 634 |
| Government | 3,387 | 2,353 |
| | <u>37,722</u> | <u>31,883</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 8,804 | 6,188 |
| Unearned tenant rent revenue | 1,647 | 1,670 |
| Deferred funding (Note 3) | 10,405 | 8,480 |
| Payable to government | 899 | 1,662 |
| Rent supplement advance (Note 4) | 4,255 | 4,255 |
| Tenants' security deposits | 1,067 | 1,089 |
| Mortgage payable (Note 5) | 12,601 | 16,476 |
| Employee benefit obligation (Note 6) | 2,041 | 1,813 |
| | <u>41,191</u> | <u>41,633</u> |
| NET DEBT | (3,469) | (9,750) |
| Non-Financial Assets | | |
| Tangible capital assets (Note 7) | 99,678 | 102,181 |
| Prepaid expenses | 133 | 121 |
| | <u>99,811</u> | <u>102,302</u> |
| ACCUMULATED SURPLUS (Note 10) | \$ 96,342 | \$ 92,552 |

| | | |
|--------------|---------------|---------------|
| Cash | 2017 | 2016 |
| Restricted | 27,719 | 25,512 |
| Unrestricted | <u>6,464</u> | <u>3,384</u> |
| Total | 34,183 | 28,896 |

| | | |
|-------------------------|---------------|---------------|
| Mortgage Payable | 12,601 | 16,476 |
|-------------------------|---------------|---------------|

| | | |
|--------------------------------|---------------|----------------|
| Tangible Capital Assets | 99,678 | 102,181 |
|--------------------------------|---------------|----------------|

Statement of Operations

STATEMENT OF OPERATIONS

For the Provincial Fixed Subsidy Portfolio

For the year ended December 31, 2017

| | BUDGET | 2017 | 2016 |
|---|---------------|----------------|----------------|
| REVENUE | | | |
| Rent revenue | \$ 50,654 | \$ 47,951 | \$ 48,040 |
| Government transfers | | | |
| Shared cost agreements | 13,806 | 13,893 | 13,938 |
| Restricted funds (Note 11) | 9,225 | 6,439 | 5,589 |
| Debt interest rebate | 311 | 237 | 239 |
| Rent supplement funding | 19,200 | 19,435 | 18,817 |
| Interest income | 344 | 456 | 318 |
| Insurance recoveries (Note 12) | - | 423 | 893 |
| Miscellaneous | 1,262 | 1,393 | 1,190 |
| | <u>94,802</u> | <u>90,227</u> | <u>89,024</u> |
| EXPENSES | | | |
| Administration | 3,261 | 3,052 | 2,662 |
| Salaries and benefits | 20,381 | 18,781 | 17,115 |
| Amortization of tangible capital assets | 3,453 | 3,030 | 3,086 |
| Debt servicing | 469 | 454 | 518 |
| Maintenance | 20,024 | 19,650 | 16,022 |
| Property operations | 9,773 | 8,406 | 8,752 |
| Rent supplement | 18,171 | 18,603 | 18,250 |
| Taxes and leases | 3,444 | 1,975 | 3,278 |
| Utilities | 11,500 | 10,689 | 9,500 |
| Insurance (Note 12) | - | 293 | 402 |
| Restricted funds expenditures | - | 249 | 153 |
| | <u>90,476</u> | <u>85,182</u> | <u>79,738</u> |
| EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS | 4,326 | 5,045 | 9,286 |
| OTHER ITEMS | | | |
| Return to The City of Calgary | (242) | (339) | (2,054) |
| City of Calgary surplus retained | (410) | (570) | - |
| Loss on asset disposal (Note 7) | - | (346) | (55) |
| | <u>(652)</u> | <u>(1,255)</u> | <u>(2,109)</u> |
| SURPLUS | \$ 3,674 | \$ 3,790 | \$ 7,177 |

| | Budget | 2017 | 2016 |
|---------------------|--------|--------|--------|
| Rent Revenue | 50,654 | 47,951 | 48,040 |

| | | | |
|-------------------------------|--------|--------|--------|
| Shared cost agreements | 13,806 | 13,893 | 13,938 |
|-------------------------------|--------|--------|--------|

| | | | |
|------------------------------|--------|--------|--------|
| Salaries and benefits | 20,381 | 18,781 | 17,115 |
|------------------------------|--------|--------|--------|

| | | | |
|--------------------|--------|--------|--------|
| Maintenance | 20,024 | 19,650 | 16,022 |
|--------------------|--------|--------|--------|

| | | | |
|-------------------------|-------|-------|-------|
| Taxes and leases | 3,444 | 1,975 | 3,278 |
|-------------------------|-------|-------|-------|

| | | | |
|------------------|--------|--------|-------|
| Utilities | 11,500 | 10,689 | 9,500 |
|------------------|--------|--------|-------|

| | | | |
|--------------------------------------|-------|-------|---------|
| Return to The City | (242) | (339) | (2,054) |
| (City owned, CHC managed portfolios) | | | |

Capital Expenditures

| | 2017 Budget | 2017 Actual | 2016 Actual |
|----------------------------------|----------------|---------------|------------------|
| Calhome Owned Assets | | | |
| Building Acquisition | \$0 | \$0 | \$11,541 |
| Building betterments | 4,997 | 768 | 1,320 |
| IT | 1,519 | 0 | 0 |
| Other | 287 | 150 | 138 |
| | \$6,803 | \$ 918 | \$ 12,999 |
| Provincially Owned Assets | | | |
| Building betterments | | \$4,441 | |

Thank You!

