

Board of Directors Meeting Agenda
Classroom- Civic Centre
April 5th 2017
3:00 p.m. – 5:00 p.m.

1. Approval of Agenda
2. Approval of Minutes
 - a. Approval of the March 15th 2017 Board Meeting Minutes
3. Business Arising from Minutes
4. Reports:
 - a. Report from Administration (20 minutes)
 - b. CCHC 2016 draft audited statements 3:30pm (30 minutes)
 - c. Hector property management renewal – confidential (30 minutes)
 - d. 2016 operating results – unaudited (Item 4d March 15th) (20 minutes)
5. New Business
6. Motion Resolution Action List
All actions completed
7. Meeting Adjournment

*A majority of the Directors in office shall constitute a quorum. In the case of an equality of votes, the Chair shall be entitled to a second or casting vote.
(Articles of Association s45)*



Canmore Community Housing Corporation

For Information

DATE OF MEETING: April 5 2017 Agenda Item: 4a)
SUBJECT: Managing Director's Report
RECOMMENDATION: For information

EXECUTIVE SUMMARY

The Administration Report summarizes activities relative to CCHC's operations and Strategic Plan as required.

1.0 OPERATIONS UPDATE

The March operations data will be available April 15th.

2.0 Rental administrator position

Theresa Newland, CCHC's new rental administrator, will be introduced to the Board.

3.0 McARTHUR PLACE (DYRGAS LANE) DEVELOPMENT UPDATE

Property and Program Management: McArthur Place is fully occupied as of April 1st.

Funding/Finance & Construction: Nothing to report now, an update will be provided at the May 3rd meeting.

Grand Opening: This item is carried over from the March 15th agenda (Item 5.1). CCHC is working with Councillor McCallum on a date/event schedule.

4.0 Old Day Care Lands RFP

CCHC has begun a negotiation process with one of the RFP proponents. No announcements will be made until a contract has been signed.

5.0 CCHC Board meeting dates

The current meeting dates have become challenging for a Board member moving forward, a discussion on whether: the meeting date can change from May 2017 forward; and whether the Board would like to go back to one regularly scheduled meeting a month, is to occur.

6.0 Town of Canmore

Michael Fark will provide a verbal update as to what, if any, market or affordable housing initiatives the Town is aware of that CCHC should also be made aware of.

Prepared by: Dougal Forteach, Managing Director

Prepared on: March 31st 2017



Canmore Community Housing Corporation

DATE OF MEETING: April 5th, 2017 **Agenda Item: 4b**

SUBJECT: 2016 Draft Audited Statements

RECOMMENDATION: Notwithstanding any edits required/approved because of the auditor's presentation, the Board approve CCHC's 2016 audited statements and direct the same be forwarded to the Town of Canmore to form part of the Town's 2016 consolidated statements.

EXECUTIVE SUMMARY

Attached is a copy of CCHC's draft 2016 audited statements. Mr. Calvin Scott, partner with CCHC's auditor Avail CPA (formerly YPM), will be call into the meeting at 3:30pm to review the draft audited statements with the Board.

DISCUSSION

As a corporation owned by the municipality, CCHC is required under Section 276 of the Municipal Government Act in Alberta to provide for, and complete, an independent audit of all financial accounts.

FINANCIAL IMPACTS: N/A

ATTACHMENTS: CCHC's Draft 2016 Audited Statements

Prepared by: Dougal Forteath, Managing Director
Prepared on: March 31, 2017

CANMORE COMMUNITY HOUSING CORPORATION

Financial Statements

For the year ended December 31, 2016

Draft - March 31, 2017

CANMORE COMMUNITY HOUSING CORPORATION
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For the year ended December 31, 2016

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Draft - March 31, 2017



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: The Board of
Canmore Community Housing Corporation

We have audited the accompanying financial statements of Canmore Community Housing Corporation, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canmore Community Housing Corporation as at December 31, 2016 and the results of its operations, changes in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

April 05, 2017

Chartered Professional Accountants

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	2016	2015
Financial assets		
Cash	\$ 559,901	\$ 406,127
Term deposits (note 3)	559,072	733,944
Trade and other receivables (note 4)	169,962	145,933
Investment in future housing developments (note 6)	4,164,349	5,164,771
	5,453,284	6,450,775
Liabilities		
Accounts payable and accrued liabilities	670,502	958,971
Deferred revenue (note 7)	270,162	278,206
Funds held in trust (damage deposits)	99,276	54,340
Long-term debt (note 8)	10,596,511	5,627,408
Due to related parties (note 9)	658,621	704,607
	12,295,072	7,623,532
Net financial debt	(6,841,788)	(1,172,757)
Non-financial assets		
Prepaid expenses	4,575	1,666
Tangible capital assets (schedule 1)	13,343,960	7,415,689
	13,348,535	7,417,355
Accumulated surplus (note 10)	\$ 6,506,747	\$ 6,244,598

Contingency (note 15)

Approved on behalf of the board:

Director _____

Director _____

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF OPERATIONS
For the year ended December 31, 2016

	Budget (unaudited)	2016	2015
Revenue			
Contributions from Town of Canmore	\$ 575,620	\$ 902,871	\$ 2,900,000
Resale administration	25,000	48,651	5,306
Leases	-	8,044	8,044
Interest	3,750	5,773	18,715
	604,370	965,339	2,932,065
Expenses			
Wages and benefits	434,576	348,752	266,526
Rent	37,500	3,300	3,360
Office	27,000	18,998	11,029
Professional fees	18,500	16,972	12,238
Resale administration	48,750	4,142	870
Telephone and utilities	5,127	3,493	3,720
Interest and bank charges	300	1,769	2,808
Insurance	1,900	1,729	1,872
Meals and entertainment	1,500	1,280	1,395
Computer	-	907	1,145
Memberships	-	563	458
Communications	-	223	4,512
Contract service	-	-	33,248
Travel and accommodation	3,000	-	1,777
Loss on disposal of capital assets	-	4,030	-
Amortization	-	4,565	5,868
	578,153	410,723	350,826
Excess of revenue over expenses before other	26,217	554,616	2,581,239
Other revenue (expenses)			
Rental revenue	1,005,703	792,835	652,498
Rental expenses	(310,197)	(301,383)	(181,938)
Rental interest expense	-	(287,382)	(247,832)
Rental amortization	(496,537)	(496,537)	(174,985)
	198,969	(292,467)	47,743
Excess of revenue over expenses	225,186	262,149	2,628,982
Accumulated surplus, beginning of year	6,244,598	6,244,598	3,615,616
Accumulated surplus, end of year	6,469,784	6,506,747	6,244,598

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CHANGES IN NET FINANCIAL DEBT
For the year ended December 31, 2016

	Budget (unaudited)	2016	2015
Excess of revenue over expenses	\$ 225,186	\$ 262,149	\$ 2,628,984
Acquisition of tangible capital assets	-	(6,433,401)	(2,250)
Amortization	174,985	501,102	180,853
Loss on disposal of tangible capital assets	-	4,030	-
	174,985	(5,928,269)	178,603
Net change in prepaid expenses	-	(2,911)	(869)
Change in net financial debt	400,171	(5,669,031)	2,806,718
Net financial debt, beginning of year	(1,172,757)	(1,172,757)	(3,979,475)
Net financial debt, end of year	(772,586)	(6,841,788)	(1,172,757)

Draft - March 31, 2017

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	2016	2015
Operating transactions		
Excess of revenue over expenses	\$ 262,149	\$ 2,628,982
Adjustments for items which do not affect cash		
Loss on disposal of tangible capital assets	4,030	-
Amortization	501,102	180,853
	767,281	2,809,835
Net change in non-cash working capital items		
Trade and other receivables	(24,030)	(121,739)
Inventory held for resale	-	-
Prepaid expenses	(2,909)	(867)
Accounts payable and accrued liabilities	(288,469)	928,720
Funds held in trust (damage deposits)	44,936	605
Cash provided by operating transactions	496,809	3,616,554
Investing transactions		
Proceeds on sale of term deposits	174,872	1,611,825
Cash provided by investing transactions	174,872	1,611,825
Capital transactions		
Acquisition of tangible capital assets	(6,433,401)	(2,250)
(Applied to) received for future housing development	(8,044)	(1,708,044)
Investment in future housing developments	1,000,421	(4,461,311)
Cash applied to capital transactions	(5,441,024)	(6,171,605)
Financing transactions		
Proceeds on long-term debt	5,134,393	761,276
Repayment of long-term debt	(165,290)	(157,356)
Advances from related parties	-	600,000
Repayment to related parties	(45,986)	(15,704)
Cash provided by financing transactions	4,923,117	1,188,216
Increase in cash	153,774	244,990
Cash, beginning of year	406,127	161,137
Cash, end of year	\$ 559,901	\$ 406,127

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

1. Nature of operations

Canmore Community Housing Corporation (the "organization") was incorporated on April 11, 2000 as a non-profit entity solely owned by the Town of Canmore and as such is not a taxable entity under the provisions of the Income Tax Act.

The purpose of the organization is to help the Town of Canmore maintain a healthy and balanced community over the long term by providing a mix of rental and ownership housing that is appropriate to the needs of the community and to enhance quality of life by facilitating the development of a perpetual stock of suitable housing for residents whose housing needs are not being met through other means.

Rental housing is provided in the form of apartment-style units as well as homes held in inventory awaiting resale under the Perpetually Affordable Housing (PAH) initiative.

PAH, for ownership purposes, is achieved by retaining title to housing units, while assigning the land and the building to qualifying homeowners by way of a 40 to 50 year initial lease term at below market purchase prices with two optional renewal terms of 25 years each.

2. Significant accounting policies

The financial statements are prepared in accordance with Canadian public sector accounting standards. The significant policies are detailed as follows:

- (a) Government transfers
Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.
- (b) Revenue recognition
The organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Rental income is recognized in the financial statements as revenue in the period in which the income is earned. Security deposits are not recognized as revenue, but rather are held in trust until returned to the tenant or used to offset damages caused, at which time they would be recognized into revenue.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

2. Significant accounting policies, continued

(c) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) Housing inventory held for resale

Housing inventory held for resale is recorded at the lower of the purchase price of the property and its net realizable value. Other costs related to the purchase of the PAH units are recorded as resale administration costs. These administration costs include prorated property taxes, legal fees, and other administration fees.

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the Change in Net Financial Debt for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized over the estimated useful life as follows:

	Years
Leasehold improvements	5 years straight line
Buildings	20 years straight line
Computer hardware	30% declining balance
Computer software	7 years straight line
Furniture and office equipment	5 years straight line

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(f) Investment in future housing developments

Investment in future housing developments includes costs incurred to develop future residential housing units to assist the organization in meeting its objectives.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

2. Significant accounting policies, continued

(g) Cash and cash equivalents

The organization includes cash on hand, held by financial institutions in operating accounts, and temporary investments in the determination of cash and cash equivalents.

3. Term deposits

Term deposits bear interest between 0.25% and 0.95% and mature during 2017. The carrying value of the term deposits approximates their fair value.

4. Trade and other receivables

	2016	2015
Trade receivables	\$ 7,275	\$ 8,238
GST receivable	162,687	137,695
	<u>\$ 169,962</u>	<u>\$ 145,933</u>

5. Inventory held for resale

The Town of Canmore has retained the first option to purchase PAH units when they become available for sale. The repurchase option is nominated to the organization which is a part of carrying out their mandate. Through this mechanism, PAH units are purchased and resold below market values. Although title of the PAH units are retained by the organization, the transaction is structured such that the majority of the benefits and costs of ownership of the related units are transferred to the purchaser (leaseholder). The repurchase of these units is financed through loans from the Town of Canmore and proceeds of the sale remain restricted for the sole purpose of repaying said loans.

6. Investment in future housing developments

	2016	2015
TSMV - Lot 39 non road costs, phase 2	\$ 3,661,510	\$ 673,274
TSMV - Lot 39 road costs	494,816	489,559
Palliser Village - Lot 7 costs	5,156	4,997
Old Daycare Land	2,867	-
TSMV - Lot 39 non road costs, phase 1	-	3,996,941
	<u>\$ 4,164,349</u>	<u>\$ 5,164,771</u>

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

7. Deferred revenue

	2016	2015
Lease revenue	\$ 270,162	\$ 278,206

The organization has entered into an agreement with Mountain Haven Co-operative Homes Ltd. (the "Co-op") to lease Lot 41 of Block 4 (TSMV) for an initial lease term of 45 years. The lease also includes four 25 year renewal terms that can be exercised at the option of the Co-op. The Co-op has paid the organization \$362,000, which represents the net present value of the lease payments for the entire 45 year initial term of the lease at the time of inception of the lease. These lease payments will be recognized as revenue over the initial term of the lease which commenced on August 1, 2005.

8. Long term debt

	2016	2015
Town of Canmore This loan is repayable to the Town of Canmore at \$202,795 semi-annually including interest at 4.98%. The loan is due in 2034.	\$ 4,700,842	\$ 4,866,132
Bow Valley Credit Union This loan will become repayable starting January 4, 2017. Interest-only payments are being made currently at 3.90%. The loan is due in 2020.	4,100,000	761,276
This loan will become repayable starting April 4, 2017. Interest-only payments are being made currently at prime + 1.20% (3.90% total at year end). The loan is due in 2021.	1,795,669	-
	\$ 10,596,511	\$ 5,627,408
Current portion	\$ 294,742	\$ 157,356

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

8. Long term debt, continued

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2017	\$ 294,742	\$ 461,898	\$ 756,640
2018	308,304	453,144	761,448
2019	322,498	443,948	766,446
2020	4,017,814	434,289	4,452,103
2021	1,912,498	424,143	2,336,641
Thereafter	3,740,655	1,569,530	5,310,185
	<u>\$ 10,596,511</u>	<u>\$ 3,786,952</u>	<u>\$ 14,383,463</u>

9. Related party transactions

The organization is funded primarily through contributions from the Town of Canmore. During 2016 the organization was allocated \$550,000 (2015 - \$1,200,000) from the Town of Canmore.

During the year the organization used office space owned by the Town of Canmore. This space was provided by the Town of Canmore to the organization as a rent in kind for \$25,620 per year.

During 2005, the Town of Canmore assumed a payable from the organization in the amount of \$325,000, which had previously been payable to an unrelated third party. The loan bears no interest or repayment terms and is unsecured. As of December 31, 2016, \$162,500 of this amount was outstanding (2015 - \$162,500).

During the year, the Town of Canmore advanced \$350,000 to assist with the construction of McArthur Place for a total of \$950,000 (2015 - \$600,000). This loan bears interest at 2%. The principal plus accrued interest is repayable in 2020.

The Town of Canmore has established a repurchasing line of credit to the organization up to a maximum of \$1,500,000 for the purchase of PAH units. These loans are secured by the PAH units until repaid to the Town of Canmore and do not bear interest. The loans are repayable to the Town of Canmore 14 days after the resale date of the unit. As at December 31, 2016 the line of credit was unused (2015 - unused).

The organization is responsible for paying expenses related to the operation of the Hector and McArthur rental properties, to PEKA Property Management. An owner of PEKA Property Management was on the board of directors of the organization for part of the 2016 fiscal year. The amount receivable from the related party as at December 31, 2016 is \$3,553 (2015 - \$3,553). PEKA Property Management also holds \$99,276 (2015 - \$54,340) of damage deposits in trust for the organization.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

9. Related party transactions, continued

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. Accumulated surplus

Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2016	2015
Unrestricted surplus	\$ 3,449,088	\$ 4,154,151
Internally restricted surplus (reserves) (note 11)	310,210	302,166
Equity in tangible capital assets (note 12)	2,747,449	1,788,281
	\$ 6,506,747	\$ 6,244,598

11. Internally restricted surplus (reserves)

The organization has internally restricted the following funds for other than operational purposes:

	2016	2015
Capital reserve fund	\$ 191,769	\$ 183,725
The Hector building reserve fund	118,441	118,441
	\$ 310,210	\$ 302,166

The use of the capital reserve fund will be by decision of the board pursuant to the cash management policy. These funds may be used to:

- a) Build or contract the building of community housing projects;
- b) Purchase, service and/or maintain land held by the organization for community housing development;
- c) Purchase, renovate, or maintain community housing units owned by the organization;
- d) Use as seed capital for community housing projects and programs; and
- e) Undertake other activities to create or maintain community housing.

As per the policy, all interest earned is paid out to the operating account.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

11. Internally restricted surplus (reserves), continued

The Hector building reserve fund is restricted for the costs of major repairs and or replacement of building components for The Hector rental property. Although not required, the organization obtained a building reserve fund study on October 24, 2011 and makes contributions as per the recommended schedule.

A portion of reserves are invested in term deposits.

12. Equity in tangible capital assets

	2016	2015
Tangible capital assets (schedule 1)	\$ 14,566,882	\$ 8,143,385
Accumulated amortization (schedule 1)	(1,222,922)	(727,696)
Long term debt (note 8)	(10,596,511)	(5,627,408)
	<u>\$ 2,747,449</u>	<u>\$ 1,788,281</u>

13. Economic dependence

The organization is economically dependent on the Town of Canmore for its continued existence as the Town of Canmore provides the organization with a substantial portion of its revenue, as well as providing the organization with rent-free office space.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

14. Budget amounts

The 2016 budget was approved by the Board of Directors and has been reported in the financial statements for information purposes only. The budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

In addition, the approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

Budgeted surplus per financial statements	\$ 225,186
Less: Long-term debt repayments	252,943
Net transfers to/from reserves	18,408
Add: Amortization	(496,537)
<u>Equals: budgeted deficit</u>	<u>\$ -</u>

15. Contingency

Land held by the organization (Palliser Lot 7) suffered flood damage in June, 2013 and its value is currently in question. Presently, the land is valued at \$1,768,000. Based on the available information, it is reasonably possible that an impairment in value has occurred. Management is currently in the process of determining how much, if any, impairment has occurred. It is not possible at this time to estimate the dollar value of potential impairment.

16. Subsequent event

In the prior year, Canmore Community Housing Corporation entered into an agreement to purchase 7 PAH units at Peaks Landing in Canmore, subject to various terms and conditions. The units are to be completed and purchased by September 30, 2017 and will have an approximate cost of \$350,000 each. There has been no change in this event, and the Canmore Community Housing Corporation has not moved forward with the purchases as of December 31, 2016.

Subsequent to year end in January 2017, Canmore Community Housing Corporation made an offer for \$1.3 million to the Town of Canmore to purchase a parcel of land referred to as "the Old Daycare Land". A decision by town council will be made in March of 2017 on whether or not they will accept the offer.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

17. Financial instruments

The organization's financial instruments consist of trade and other receivables, amounts due from related parties and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of these financial instruments approximates their fair value.

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CANMORE COMMUNITY HOUSING CORPORATION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

Schedule of tangible capital assets

Schedule 1

	Land	Leasehold improvements	Buildings	Computer hardware	Computer software	Furniture and office equipment	2016	2015
Cost:								
Balance, beginning of year	\$ 4,599,981	\$ 9,272	\$ 3,499,700	\$ 14,409	\$ 11,363	\$ 8,660	\$ 8,143,385	\$ 8,141,135
Acquisitions	-	-	6,431,047	862	-	1,492	6,433,401	2,250
Disposals	-	-	-	-	(9,904)	-	(9,904)	-
Balance, end of year	4,599,981	9,272	9,930,747	15,271	1,459	10,152	14,566,882	8,143,385
Accumulated amortization:								
Balance, beginning of year	-	6,673	699,940	11,211	6,607	3,265	727,696	546,843
Annual amortization	-	1,106	496,537	1,218	209	2,030	501,100	180,853
Disposals	-	-	-	-	(5,874)	-	(5,874)	-
Balance, end of year	-	7,779	1,196,477	12,429	942	5,295	1,222,922	727,696
Net book value	\$ 4,599,981	\$ 1,493	\$ 8,734,270	\$ 2,842	\$ 517	\$ 4,857	\$ 13,343,960	\$ 7,415,689
2015 net book value	\$ 4,599,981	\$ 2,599	\$ 2,799,760	\$ 3,198	\$ -	\$ 5,395	\$ 7,415,689	

Draft - March 31, 2017

CANMORE COMMUNITY HOUSING CORPORATION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2016

Schedule of changes in accumulated surplus	Schedule 2				
	Unrestricted	Internally restricted	Equity in tangible capital assets	2016	2015
Balance, beginning of year	\$ 4,154,151	\$ 302,166	\$ 1,788,281	\$ 6,244,598	\$ 3,615,616
Excess of revenue over expenses	262,149	-	-	262,149	2,628,982
Unrestricted funds designated for future use	(8,044)	8,044	-	-	-
Current year funds used for tangible capital assets	(6,433,401)	-	6,433,401	-	-
Amortization	501,100	-	(501,100)	-	-
Repayment of long term debt	(165,290)	-	165,290	-	-
Proceeds from long term debt	5,134,393	-	(5,134,393)	-	-
Disposal of tangible capital assets	4,030	-	(4,030)	-	-
Change in accumulated surplus	(705,063)	8,044	959,168	262,149	2,628,982
Balance, end of year	\$ 3,449,088	\$ 310,210	\$ 2,747,449	\$ 6,506,747	\$ 6,244,598



Canmore Community Housing Corporation

DATE OF MEETING: April 5th , 2017 **Agenda Item: 4d)**

SUBJECT: 2016 Operating results -unaudited

RECOMMENDATION:

The 2016 operating results are provided as information and are still subject to audit

EXECUTIVE SUMMARY

N/A

DISCUSSION

Administration (all figures rounded):

- Overall operating revenues were \$636,459 against \$436,264 in expenses.
- It is important to note that from the \$200,195 net income \$34,500 was paid for CCHC's project manager at McArthur Place (later capitalized)
- General operating revenues were on budget as they are primarily realized through the Town of Canmore's contributions, however CCHC did realize \$1,144 more in interest income over budget (\$4,144 vs \$3,000 budgeted) and \$23,551 more in PAH administration Fees (\$48,551 vs \$25,000 budgeted) as a function of increased PAH sales activity.
- Expenses were well below budget (\$436,264 vs \$578,153 budgeted) predominantly because CCHC did not fill the communication/project officer role that was budgeted for however individual expense line item savings also contributed to this.

Hector:

- Through 2016 the Hector building generated \$676,267 of revenue against \$488,228 in expenses.
- In addition to the expenses noted \$165,290 in principle was paid against the debenture

McArthur Place:

- In 2016 McArthur Place generated \$118,198.61 offset against \$106,025 in expenses;
- Phase 1 (36 units) took occupancy as of September 1 2016
- There were no principal payments made against the mortgage loan as blended mortgage payments did not begin until January 4 2017

Overall:

- 2016 revenues exceeded budget for both administration and the Hector however they are significantly below projection for McArthur Place as the building was not ready for occupancy as had been projected when the 2016 budget was approved. Phase 1 (32 units) was ready for occupancy in September of 2016 and substantial completion of Phase 2 (16 units) was January 20th 2017.

FINANCIAL IMPACTS: Although to be confirmed through the audit, CCHC ended 2016 in a positive position for each of its three business units: administration; Hector building; and McArthur Place.

ATTACHMENTS: 2016 YTD Operating results

Prepared by: Dougal Forteath, Managing Director
Prepared on: March 31st 2017

	Administration	Hector	McArthur Place	TOTAL	Annual Budget	Variance
Income						
4100 · Town of Canmore Contributions	550,000.00	0.00	0.00	550,000.00	550,000.00	0.00
4105 · Town of Canmore - In Kind Rent	25,620.00	0.00	0.00	25,620.00	25,620.00	0.00
4200 · Interest Income	4,143.56	1,625.97	3.91	5,773.44	3,750.00	2,023.44
4500 · PAH Administration Fees	48,551.00	0.00	0.00	48,551.00	25,000.00	23,551.00
4510 · Application Fee	100.00	0.00	0.00	100.00	0.00	100.00
4600 · Rental Revenue	8,044.00	674,640.52	118,194.70	800,879.22	1,005,703.00	(204,823.78)
Total Income	636,458.56	676,266.49	118,198.61	1,430,923.66	1,610,073.00	(179,149.34)
Gross Profit	636,458.56	676,266.49	118,198.61	1,430,923.66	1,610,073.00	(179,149.34)
Expense						
Administrative Expenses	436,263.87			436,263.87	578,153.00	(141,889.13)
Hector Expenses		488,227.84		488,227.84	214,248.00	273,979.84
McArthur Expense			106,024.89	106,024.89	95,949.00	10,075.89
Total Expense	436,263.87	488,227.84	106,024.89	1,030,516.60	888,350.00	142,166.60
Net Income	200,194.69	188,038.65	12,173.72	400,407.06	721,723.00	(321,315.94)