

**Board of Directors Meeting Agenda
CCHC Boardroom
April 20, 2016
1:00 p.m. – 3:00 p.m.**

1. **Approval of Agenda**
2. **Approval of Minutes**
 - a. Approval of the March 16, 2016 Board Meeting Minutes
3. **Business Arising from Minutes**
4. **Reports:**
 - a. 2015 Audited Statements
 - b. Housing Needs Study
 - c. Report from Administration
5. **New Business**

None
6. **In Camera Items**
 - a. Development Issue
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)*

Board of Directors Meeting Minutes

CCHC Boardroom
March 16, 2016
1:00 p.m. – 3:00 p.m.

Board Members in Attendance:

Joanna McCallum	John Borrowman
Garth Lyon	Cheryl Godefroy
Carolynn Winterhalt	Peter Musil
Dan Sparks	Bob Kocian

Others in Attendance:

Cathy Robinson, CCHC
Dougal Forteath, CCHC
Cathy-Anne David
Michael Fark, Town of Canmore Liaison to CCHC

Regrets Chuck Patel

There being a quorum, Joanna McCallum, Chair, called the meeting to order at 1:07 p.m.

1) Agenda Approval

Addition: 6b) Development Issue

Motion 2016.24 Moved by Bob Kocian to approve the agenda as amended, adding under In Camera item 6b) Development Issue. **CARRIED**

2) Approval of Minutes

a. Approval of the February 17 2016 Regular Board Meeting Minutes

Motion 2016.25 Moved by Dan Sparks to approve the minutes of February 17, 2016 as presented. **CARRIED**

3) Business Arising from Minutes: None

4) Reports:

Note: The Board choose to review Item 4h) Report from Administration and 6a) Contract Issue first on the agenda

h. Report from Administration

The Board reviewed the report from Administration

Motion 2016.26 Moved by Cheryl Godefroy to go in-camera at 1:17pm to discuss Item 6a Contract Issue as disclosure of this information would be harmful to CCHC's economic interests.

CARRIED

Motion 2016.27 Moved by John Borrowman to come out of camera at 1:35pm

CARRIED

Note: Carolynn Winterhalt arrived at 1:20pm/ Garth Lyon arrived at 1:21pm

a. Affordable Homeownership models

The Board reviewed the Affordable Homeownership models report. It was noted that any alternative model considered in the future must address how the units cap out in terms of the annual median income.

Note: Cathy Robinson left the meeting at 2:09pm

b. Housing Needs Study

The Board reviewed the proposed draft terms of reference and asked that the same be returned in April for further discussion. It was noted that when looking at housing in comparable communities the following should be included in the sample: Cochrane; Squamish; Whistler; Banff.

c. CCHC: Board of Directors Terms of Reference Policy

Motion 2016.28 Moved by John Borrowman to adopt the Board of Directors Terms of Reference Policy as presented.

CARRIED

d. CCHC: Conflict of Interest Policy

Motion 2016.29 Moved by Bob Kocian to adopt the Board of Directors Conflict of Interest Policy as presented.

CARRIED

e. CCHC: Bring Your Own Device

Motion 2016.30 Moved by Carolynn Winterhalt to adopt the Bring Your Own Device Policy as presented.

CARRIED

f. CCHC Board package addition of an annual calendar

Motion 2016.31 Moved by Peter Musil to add the annual calendar to the end of each Board report moving forward.

CARRIED

g. CCHC Personnel Committee

Motion 2016.32 Moved by Dan Sparks that Garth Lyon, Joanna McCallum, and Bob Kocian form part of the Personnel Committee.

CARRIED

5) New Business: No new business

6) In Camera Items:

b. Development Issue

Motion 2016.33 Moved by Cheryl Godefroy to go in camera at 2:48pm as disclosure of this information would be harmful to CCHC's economic interests.

CARRIED

Motion 2016.34 Moved by John Borrowman to come out of camera at 3:01pm

CARRIED

c. Meeting Adjournment

Motion 2016.35 Moved by John Borrowman to adjourn the meeting at 3:02pm

CARRIED

Chair

Vice Chair

DRAFT



Canmore Community Housing Corporation

DATE OF MEETING: April 20th, 2016 **Agenda Item: 4a**
SUBJECT: 2015 Draft Audited Statements

RECOMMENDATION:

Notwithstanding any edits required/approved as a result of the auditor's presentation, the Board approve CCHC's 2015 audited statements and direct the same be forwarded to the Town of Canmore so as to form part of the Town's 2015 consolidated statements.

EXECUTIVE SUMMARY

Attached is a copy of CCHC's draft 2015 audited statements. Mr. Calvin Scott, partner with CCHC's auditor YPM, will be present at 1pm 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 2015 Audited Statements

Prepared by: Dougal Forteath, Managing Director
Prepared on: April 15, 2016

CANMORE COMMUNITY HOUSING CORPORATION

Financial Statements

For the year ended December 31, 2015

Draft - April 15, 2016

CANMORE COMMUNITY HOUSING CORPORATION

TABLE OF CONTENTS

For the year ended December 31, 2015

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGE IN NET FINANCIAL DEBT	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6 - 13
SCHEDULES TO THE FINANCIAL STATEMENTS	14 - 15

Draft - April 15, 2016

Young Parkyn McNab LLP

CHARTERED 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, 2015, 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, 2015 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 20, 2016

Chartered Accountants

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	2015	2014 (restated)
Financial assets		
Cash	\$ 406,127	\$ 161,137
Term deposits (note 4)	733,944	2,345,769
Trade and other receivables (note 5)	145,933	24,194
Investment in future housing developments (note 7)	5,164,771	703,458
	6,450,775	3,234,558
Liabilities		
Accounts payable and accrued liabilities	958,971	30,251
Deferred revenue (note 8)	278,206	1,986,250
Funds held in trust (damage deposits)	54,340	53,735
Long-term debt (note 9)	5,627,408	5,023,488
Due to related parties (note 10)	704,607	120,311
	7,623,532	7,214,035
Net financial debt	(1,172,757)	(3,979,477)
Non-financial assets		
Prepaid expenses	1,666	799
Tangible capital assets (schedule 1)	7,415,689	7,594,294
	7,417,355	7,595,093
Accumulated surplus (note 11)	\$ 6,244,598	\$ 3,615,616

Contingency (note 16)

Approved on behalf of the board:

Director _____

Director _____

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF OPERATIONS
For the year ended December 31, 2015

	Budget (unaudited)	2015	2014 (restated)
Revenue			
Contributions from Town of Canmore	\$ 325,000	\$ 2,900,000	\$ 275,000
Interest	6,000	18,715	12,125
Leases	-	8,044	8,044
Resale administration	-	5,306	20,412
Other	-	-	10,003
	331,000	2,932,065	325,584
Expenses			
Wages and benefits	323,000	266,526	226,884
Contract service	5,000	33,248	6,208
Professional fees	18,500	12,238	12,555
Office	13,800	11,029	12,105
Communications	7,500	4,512	2,434
Telephone and utilities	3,400	3,720	3,219
Rent	3,465	3,360	3,300
Interest and bank charges	300	2,808	194
Insurance	1,900	1,872	1,782
Travel and accommodation	2,000	1,777	170
Meals and entertainment	1,000	1,395	216
Computer	2,000	1,145	985
Resale administration	48,890	870	16,191
Memberships	-	458	608
Bad debts	-	-	1,853
Amortization	5,868	5,868	5,768
	436,623	350,826	294,472
Excess of revenue over expenses before other	(105,623)	2,581,239	31,112
Other revenue (expenses)			
Hector/McArthur rental revenue	662,485	652,498	652,361
Hector interest expense	(248,235)	(247,832)	(255,302)
Hector rental expenses	(209,159)	(181,938)	(161,309)
Hector amortization	(174,985)	(174,985)	(174,985)
Housing resale revenue	25,000	-	618,933
Housing resale expenses	-	-	(610,571)
Writedown of investment in future housing	-	-	(69,951)
	55,106	47,743	(824)
Excess of revenue over expenses	(50,517)	2,628,982	30,288
Accumulated surplus, beginning of year			
As previously stated	3,626,612	3,626,612	3,596,810
Prior period adjustment (note 17)	(10,996)	(10,996)	(11,482)
As restated	3,615,616	3,615,616	3,585,328
Accumulated surplus, end of year	3,565,099	6,244,598	3,615,616

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CHANGES IN NET FINANCIAL DEBT
For the year ended December 31, 2015

	Budget (unaudited)	2015	2014 (restated)
Excess of revenue over expenses	\$ (50,517)	\$ 2,628,982	\$ 30,290
Acquisition of tangible capital assets	-	(2,250)	(12,763)
Amortization	180,853	180,853	180,753
	180,853	178,603	167,990
Net change in prepaid expenses	-	(865)	341
Change in net financial debt	130,336	2,806,720	198,621
Net financial debt, beginning of year			
As previously stated	(3,968,481)	(3,968,481)	(4,166,616)
Prior period adjustment (note 17)	(10,996)	(10,996)	(11,482)
As restated	(3,979,477)	(3,979,477)	(4,178,098)
Net financial debt, end of year	(3,849,141)	(1,172,757)	(3,979,477)

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2015

	2015	2014 (restated)
Operating transactions		
Excess of revenue over expenses	\$ 2,628,982	\$ 30,288
Adjustments for items which do not affect cash		
Amortization	180,853	180,753
	2,809,835	211,041
Net change in non-cash working capital items		
Trade and other receivables	(121,739)	(11,505)
Inventory held for resale	-	340,121
Prepaid expenses	(867)	343
Accounts payable and accrued liabilities	928,720	14,545
Funds held in trust (damage deposits)	605	1,225
	3,616,554	555,770
Investing transactions		
Purchase of term deposits	-	(1,513,186)
Proceeds on sale of term deposits	1,611,825	-
	1,611,825	(1,513,186)
Capital transactions		
Acquisition of tangible capital assets	(2,250)	(12,763)
(Applied to) received for future housing development	(1,708,044)	1,691,956
Investment in future housing developments	(4,461,311)	(154,376)
	(6,171,605)	1,524,817
Financing transactions		
Proceeds on long-term debt	761,276	-
Repayment of long-term debt	(157,356)	(149,803)
Advances from related parties	600,000	-
Repayment to related parties	(15,704)	(342,201)
	1,188,216	(492,004)
Increase in cash	244,990	75,397
Cash, beginning of year	161,137	85,740
Cash, end of year	\$ 406,127	\$ 161,137

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

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) 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.

(b) 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.

(c) 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.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

2. Significant accounting policies, continued

(d) 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 equipment	30% declining balance
Computer software	7 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.

(e) 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.

(f) 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.

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.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

3. 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.

4. Term deposits

Term deposits bear interest between 0.25% and 1.00% and mature during 2016. The carrying value of the term deposits approximates their fair value.

5. Trade and other receivables

	2015	2014
Trade receivables	\$ 8,238	\$ 11,559
GST receivable	137,695	12,635
	\$ 145,933	\$ 24,194

6. 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 (see note 10) and proceeds of the sale remain restricted for the sole purpose of repaying said loans.

7. Investment in future housing developments

	2015	2014
TSMV - Lot 39 non road costs, phase 1	\$ 3,996,940	\$ 219,523
TSMV - Lot 39 non road costs, phase 2	673,275	-
TSMV - Lot 39 road costs	489,559	481,736
Palliser Village - Lot 7 costs	4,997	2,199
	\$ 5,164,771	\$ 703,458

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

8. Deferred revenue

	2015	2014
Lease revenue	\$ 278,206	\$ 286,250
Capital grant	-	1,700,000
	\$ 278,206	\$ 1,986,250

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.

9. Long term debt

	2015	2014
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.	\$ 4,866,132	\$ 5,023,488
Bow Valley Credit Union This loan will become repayable upon completion of McArthur Place. Interest-only payments are being made currently at 3.90%. The loan is due in 2020.	761,276	-
	\$ 5,627,408	\$ 5,023,488
Current portion	\$ 165,290	\$ 157,356

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

9. Long term debt, continued

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2016	\$ 165,290	\$ 269,991	\$ 435,281
2017	173,624	261,657	435,281
2018	182,378	252,903	435,281
2019	191,573	243,707	435,280
2020	962,509	234,048	1,196,557
Thereafter	3,952,034	1,523,441	5,475,475
	<u>\$ 5,627,408</u>	<u>\$ 2,785,747</u>	<u>\$ 8,413,155</u>

10. Related party transactions

The organization is funded primarily through contributions from the Town of Canmore. During 2015 the organization was allocated \$1,200,000 (2014 - \$275,000) 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 at no charge.

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, 2015, \$162,500 of this amount was outstanding (2014 - \$162,500).

During the year, the Town of Canmore advanced \$600,000 to assist with the construction of McArthur Place. 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, 2015 the line of credit was unused (2014 - unused).

The organization is responsible for paying expenses related to the operation of the Hector rental property, to PEKA Property Management. An owner of PEKA Property Management is on the board of directors of the organization. The amount receivable from the related party as at December 31, 2015 is \$3,553 (2014 - \$11,546 payable). PEKA Property Management also holds \$54,340 (2014 - \$53,735) of damage deposits in trust for the organization.

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.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

11. Accumulated surplus

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

	2015	2014 (restated)
Unrestricted surplus	\$ 4,154,151	\$ 407,881
Internally restricted surplus (reserves) (note 12)	302,166	636,929
Equity in tangible capital assets (note 13)	1,788,281	2,570,806
	<u>\$ 6,244,598</u>	<u>\$ 3,615,616</u>

12. Internally restricted surplus (reserves)

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

	2015	2014
Capital reserve fund	\$ 183,725	\$ 519,726
The Hector building reserve fund	118,441	117,203
	<u>\$ 302,166</u>	<u>\$ 636,929</u>

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.

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.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

13. Equity in tangible capital assets

	2015	2014
Tangible capital assets (schedule 1)	\$ 8,143,385	\$ 8,141,137
Accumulated amortization (schedule 1)	(727,696)	(546,843)
Long term debt (note 9)	(5,627,408)	(5,023,488)
	\$ 1,788,281	\$ 2,570,806

14. 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.

15. Budget amounts

The 2015 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 deficit per financial statements	\$ (50,517)
Less: Capital expenditures	(5,101,048)
Long-term debt repayments	(157,356)
Add: Amortization	180,853
Transfers from reserves	1,028,068
Proceeds of long-term debt	4,100,000
Equals: balanced budget	\$ -

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

16. 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.

17. Prior period adjustment

The prior year numbers have been adjusted to reflect accrued interest on the debenture with the Town of Canmore. The effects of the adjustment are:

- A decrease in unrestricted net assets of \$11,482 as at January 1, 2014.
- An increase in accrued liabilities of \$10,996 as at December 31, 2014.
- An increase in interest expense of \$10,996 for the year ended December 31, 2014.
- A decrease in unrestricted net assets of \$10,996 as at December 31, 2014.

18. Subsequent event

Subsequent to year end on January 19, 2016, 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.

CANMORE COMMUNITY HOUSING CORPORATION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

Schedule of tangible capital assets

Schedule 1

	Land	Leasehold improvements	Buildings	Computer equipment	Furniture and office equipment	2015	2014
Cost:							
Balance, beginning of year	\$ 4,599,981	\$ 9,272	\$ 3,499,700	\$ 24,519	\$ 7,663	\$ 8,141,135	\$ 8,128,374
Acquisitions	-	-	-	1,253	997	2,250	12,763
Balance, end of year	4,599,981	9,272	3,499,700	25,772	8,660	8,143,385	8,141,137
Accumulated amortization:							
Balance, beginning of year	-	5,565	524,955	14,790	1,533	546,843	366,090
Annual amortization	-	1,108	174,985	3,028	1,732	180,853	180,753
Balance, end of year	-	6,673	699,940	17,818	3,265	727,696	546,843
Net book value	\$ 4,599,981	\$ 2,599	\$ 2,799,760	\$ 7,954	\$ 5,395	\$ 7,415,689	\$ 7,594,294
2014 net book value	\$ 4,599,981	\$ 3,707	\$ 2,974,745	\$ 9,729	\$ 6,130	\$ 7,594,292	

Draft - April 15, 2016

CANMORE COMMUNITY HOUSING CORPORATION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2015

Schedule of changes in accumulated surplus	Schedule 2				
	Unrestricted	Internally restricted	Equity in tangible capital assets	2015	2014 (restated)
Balance, beginning of year					
As previously stated	\$ 418,878	\$ 636,929	\$ 2,570,805	\$ 3,626,612	\$ 3,596,810
Prior period adjustment (note 17)	(10,996)	-	-	(10,996)	(11,482)
As restated	407,882	636,929	2,570,805	3,615,616	3,585,328
Excess of revenue over expenses	2,628,982	-	-	2,628,982	30,288
Unrestricted funds designated for future use	(9,282)	9,282	-	-	-
Restricted funds used for operations	344,045	(344,045)	-	-	-
Current year funds used for tangible capital assets	(2,250)	-	2,250	-	-
Amortization	180,853	-	(180,853)	-	-
Repayment of long term debt	(157,355)	-	157,355	-	-
Proceeds from long term debt	761,276	-	(761,276)	-	-
Change in accumulated surplus	3,746,269	(334,763)	(782,524)	2,628,982	30,288
Balance, end of year	\$ 4,154,151	\$ 302,166	\$ 1,788,281	\$ 6,244,598	\$ 3,615,616



Canmore Community Housing Corporation

DATE OF MEETING: April 20th, 2016

Agenda Item: 4b

SUBJECT: Housing Needs Study

RECOMMENDATION:

Administration recommends that, notwithstanding any edits as directed by the Board, the Board approve the proposed scope of work CCHC would like see included in the housing needs study to be completed by Bow Valley Regional Housing.

EXECUTIVE SUMMARY

Bow Valley Regional Housing (BVRH) will be completing a housing needs study in 2016 and an opportunity exists for CCHC to partner with BVRH on this initiative. CCHC is currently working with BVRH and the Town of Canmore's FCSS department to create a scope of work/terms of reference for the RFP required to select the successful proponent to complete the housing needs study.

DISCUSSION

Note: This agenda item was brought to the March 16th meeting at which time the Board asked that the same be returned in April for further discussion. It was noted (March 2016) that when looking at housing in comparable communities the following should be included in the sample: Cochrane; Squamish; Whistler; Banff. In addition to this CCHC administration has consulted with some shareholder representatives who have suggested the following also be considered:

- 1) Examine below market housing in order to:
 - a. Qualify the current & future shortfall;
 - b. Determine what the housing gaps are now and project what they will be over time;
 - c. What will the MDP requirement that 15% of future housing be affordable housing mean in terms of affordable units to be developed ;
 - d. What is the employee housing gap and who should be responsible for providing this sort of housing
- 2) What type of housing does the community require moving forward (e.g. transitional housing; employee housing; rental; homeownership;/pet requirements)
- 3) What best practices exist for incentivizing the creation of affordable housing in private dwellings;
- 4) What is the demographic of residents & workers who serve the needs of visitors and locals; what are Canmore's population projections and housing demand/shortfall moving forward; what is Canmore's proposed economic development over time and need for staff/employment housing; what number of individuals leave Canmore and then return.
- 5) Determine the amount of future seniors housing required as a result of retirements

Prior to issuing an RFP for proponents to complete the housing needs study CCHC will need to determine and advise BVRH what the scope of work required to meet CCHC's needs will be. Although not limited to, CCHC administration is proposing the following for the Board's consideration:

Population projections

- Review and identify the ToC's population growth (permanent and non-permanent) from 2010 to 2015 and – using an economic growth model -- project the population growth from 2017 to 2027
- Identify projected demographic shifts within Canmore's population from 2017 -2027 and how these may affect the ToC's housing needs for this period

Current Housing situation

- Determine the number and types (single-family, duplex, townhouse, apartment) of housing units that the Town of Canmore (ToC) currently has (source :municipal census + occupancy permits);
- Per land use areas within the Town of Canmore, based on average persons per dwelling unit (source: municipal census) , determine whether the current housing supply meets the needs of the ToC's current population (e.g. whether there is an over or under supply of housing in Canmore as of 2016)
- Determine the rental housing vacancy rate at a point in time, and project its cycle over the course of an average year ;
- Compare Canmore rental rates to those in **Cochrane; Squamish; Whistler; Banff**. Analyze rates for: a studio, 1, 2, or 3-bedroom unit;
- Compare the cost to purchase a home in Canmore to those in **Cochrane; Squamish; Whistler; Banff**. Analyze prices for single family; ½ duplex; townhouse; apartment;
- Provide (for comparison) regional and national housing price indices
- Determine the current number of units which are under a homeownership tenure and the current number of units which are under a rental tenure as of 2015 (last census)
- Compare the ownership/rental split to the same ratio from 2011 (previous census)

Housing Affordability

- Determine what residents can afford to pay for housing (assume 32% of their gross income for homeownership and 30% for rental) by age gender distribution and employment sectors identified in the municipal census. This analysis should include a breakdown, by percentage, of what sectors make up the total work force in Canmore. Complete an affordability analysis by comparing this to the costs of home ownership and rental in Canmore.
- Using the affordability analysis and population projections for 2017 to 2027, identify which demographic(s) within the ToC is (are) having the most difficulty finding satisfactory housing within their ability to pay, and which type(s) of housing are most suitable to that/those group(s).

Future Housing Needs

- Project the numbers of housing units likely to be developed by the private sector from 2017-2027
- Forecast the number of new employee housing beds required between 2017-2027 (using ratio of employees to gross commercial floor area which could still be developed)
- Forecast the number and type of housing units that will be required to meet the ToC's population growth from 2017 to 2027, broken out in two five year increments (2017-2022/2022-2027); taking into account the numbers of housing units likely to be developed by the private sector, project the likely supply/demand ratio in 2022.
- Forecast, the number of affordable units required to meet the MDP requirement that 15% of all new development be affordable housing.
- Recommend what mixture of housing tenure (homeownership or rental) would best address any 2017-2027 shortfall identified

FINANCIAL IMPACTS:

CCHC has budgeted thirty thousand dollars (\$30,000) to offset the portion of its costs associated with the Housing Needs Study. Should the work that CCHC wishes to complete exceed the thirty thousand dollars threshold (\$30,000) either alternate sources of revenue will need to be identified or the scope of work will need to be amended.

ATTACHMENTS:

Prepared by: Dougal Forteath, Managing Director

Prepared on: March 10, 2016/April 15th 2016



Canmore Community Housing Corporation

For Information

DATE OF MEETING: April 20, 2016 Agenda Item: 4c
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 Applications and Waitlist

	Own Program		Rent Program			
			The Hector		McArthur Place	
Wait List:	20	No change over last month	28	+6 over last month	34	+6 over last month
			19		Shared applicants	
Applications YTD:	5	+3 over last month +1 STLY	17	+7 over last month +4 STLY	14	+7 over last month N/A - STLY
Applications 2015:	12		58		27	
↑ Above numbers updated as of March 31, 2016 ↑						
Inquiries 2016 (YTD):	30	+14 over last month +5 as STLY	78		+31 over last month +11 STLY	
Inquiries 2015:	116	total	361		total	
Total Units:	44		60		48	
Current Occupancy:	100%		100%		0%	Under construction
Turnover YTD:	0%	1 for sale by owner 3 conditional sales	5%	3 units	N/A	
Turnover 2015:	2%	1 sale	40%	24 units	N/A	
↑ Above numbers updated as of March 31, 2016 ↑						

PROGRAM ADMINISTRATION PAH Own Program:

Inquiries: Inquiries for ownership are pacing ahead of 2015. The advertising of units has been a primary factor for individuals making inquiries.

Applications: Three new applications have been received this month, one of which was specific to placing an offer on an unit for sale by Owner. As of the time of this report, the Waitlist has increased to 22 which includes the three new

applicants and the removal of one household who was able to purchase market housing.

The current Waitlist demographics show 55% (the largest group) of approved applicants being single without children. The average household income of those on the Waitlist is \$55,123 and a majority looking for a minimum sized home of two bedrooms.

Operating Procedures: Administration will be reviewing and updating applications for the 2016/17 year and anticipates these will be ready by May. Part of this process includes a review of Gross Household Income limits for the Own Program.

As of the first week of April, an offer has been placed and accepted on the 1 remaining unit for sale.

PAH Rent Program:

Inquiries: Inquiries continue to grow and are continue to out-pace inquiries in 2015. Administration is currently working on a survey to determine why individuals may not apply in an effort to better understand the conversion rate (inquiries to applications). Current Q1 market rents show an average increase in rent (across all sized units) of \$109 over 2015 Q1.

Applications: Just over one half of inquiries we received during the month are ineligible for our program. Administration is reviewing our programs to determine if there is a way to meet the needs of these people within the CCHC Mission.

Operating Procedures: Administration is reviewing operating procedures prior to the opening of McArthur Place. Updating applications will be part of this procedural review and new applications are anticipated to be in place for the 2016/17 year in May, obtaining new CNIT information is required for this process and CCHC has been advised by the Province that the figures will be late this year. Applicants on the Waitlist have already been made aware that we will no longer accept 2014 tax information after June 1, 2016 giving one month grace period to have filed taxes (due April 30th).

PROPERTY MANAGEMENT

The Hector at Palliser Village: The remainder of the wood staining project will commence in April. Administration continues to work through an appropriate action plan to have a failed component of the Solar System at The Hector repaired.

Palliser Lane: No new information to report. CCHC continues to be the primary contact for issues regarding the lane.

Lamphouse Neighbourhood Association (LNA): LNA will hold another Board meeting in April; the LNA Board has requested clear estimates to determine if they will contribute to the construction and maintenance of the pathway scheduled to be constructed in conjunction with this property.

Palliser Lands: No new information to report.

Coyote Ridge: In an effort to assist with managing increasing costs, CCHC has volunteered to assist Coyote Ridge by receiving information by mail (to meet legal requirements of the Condominium Property Act) and then forwarding information to Owners by email (PEKA does not offer this service). This program will be trialed over the next few months.

2.0 McARTHUR PLACE (DYRGAS LANE) DEVELOPMENT UPDATE

Funding/Finance & Construction: To be reported on by Cathy-Anne David, Project Manager.

Property and Program Management: An interim update has been sent to those on the Rent Waitlist to advise that we anticipate having a more specific move in date by the middle of April.

Prepared by: Dougal Forteach, Managing Director

Prepared on: April 15, 2016