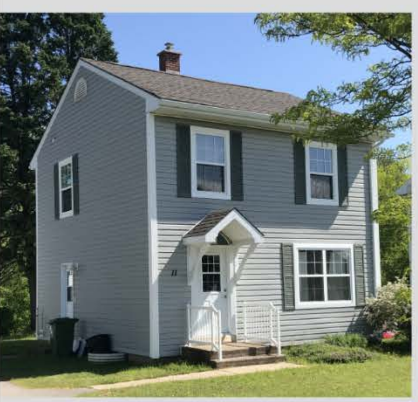
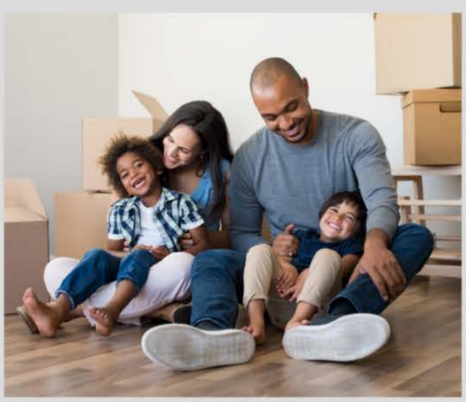
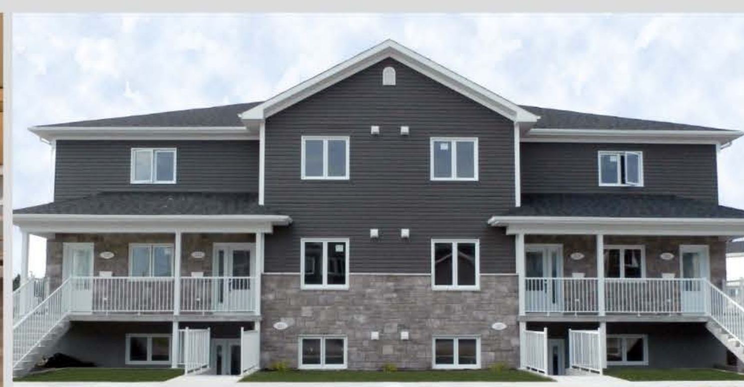
CANADIAN FORCES HOUSING AGENCY

Annual Report 2017-2018







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Canada

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Table of Contents

The Year in Review from the Chief Executive Officer 4

Delivering on our Strategic Objectives in Fiscal Year 2017-2018 5

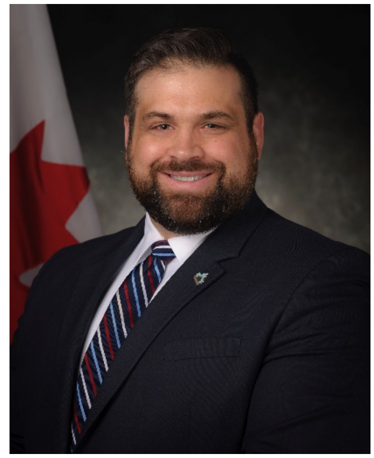
Distribution of Funds 10

Financial Statements..11

Department of National Defence Housing Locations in Canada 26

Agency Profile 27

The Year in Review from the Chief Executive Officer



The Canadian Forces Housing Agency (CFHA) provides support to the Department of National Defence (DND) by offering residential accommodation solutions to Canadian Armed Forces (CAF) members and their families. Our service to CAF members contributes to a better quality of life for those who serve and protect our country.

Prior to being appointed Chief Executive Officer in the fall of 2017, my experience with CFHA allowed for me to witness firsthand the hard work and dedication of the Agency's employees. Our team has continued to work diligently in support of one overarching goal: providing a good quality of life to CAF members and their families.

Fiscal year 2017-2018 was a positive and eventful year for the Agency. We launched the Stars of CFHA program, which allowed our occupants to recognize the hard work of our employees. Multiple Housing Services Centres were also recognized by our stakeholders on their exceptional support to CAF members and their families. We've made significant investments into DND's housing portfolio – over $144 million on recapitalization, interior renovation, exterior retrofit, and the construction of 37 new residential housing units. We continued to foster a healthy work environment by encouraging employees to participate in wellness initiatives. Most recently, we took to digital media to enhance our visibility for recruiting talented and dynamic individuals. We continue to focus our business on sound management practices by exploring new opportunities and solutions in meeting our priorities.

Looking to the future, we are committed to improving housing at bases and wings across the country as outlined in Strong, Secure, Engaged: Canada's Defence Policy. Our objective is to continue implementing housing investment plans and services to improve the overall condition and suitability of the DND housing portfolio, with the aim of providing safe and accessible accommodation, based on the requirements of the CAF.

I am very fortunate to have a skilled, knowledgeable, and agile workforce that is leading right alongside me. Our team is committed to service excellence and in serving those who serve.

David Thompson
Chief Executive Officer
Canadian Forces Housing Agency

Delivering on our Strategic Objectives in Fiscal Year 2017-2018

Providing excellent services to our customers and clients

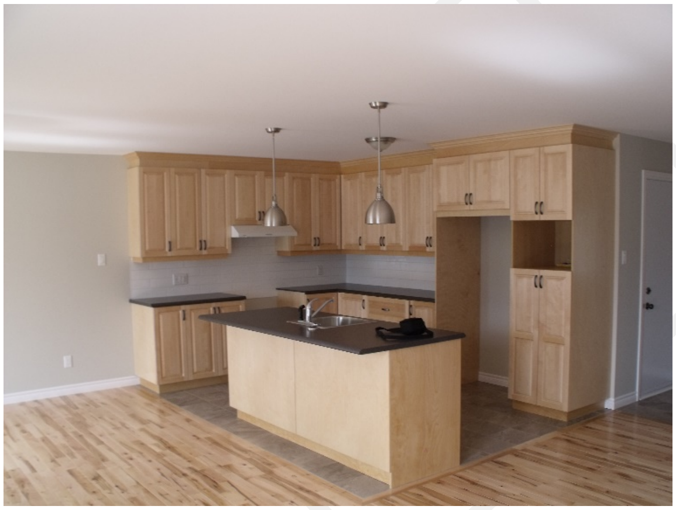
People are at the core of everything we do to deliver our mandate. Every CFHA employee is dedicated to providing our customers with the best possible service. To achieve this goal, we work hard to create an environment in which employees can excel both personally and professionally.

We launched the Stars of CFHA program in 2017. This recognition program aims to highlight our frontline staff who provide excellence in customer service across Canada. Three exceptional employees were named the 2017 Stars of CFHA. In addition, Housing Services Centre Esquimalt received the title of 2017 Star Housing Services Centre for their work in providing consistent outstanding customer service.

Further witnessing the hard work of our employees, commanding officers at 5th Canadian Division Support Base Gagetown presented Housing Services Centre staff with commendations on two separate occasions. The first for their exceptional support to the base and the second in recognition of the outstanding assistance to ill and injured members of the Joint Personnel Support Unit. Also, we are proud to highlight the accomplishment of our manager at Housing Services Centre Edmonton. This past spring, she received the Joint Task Force North Commander's Pennant - an award that is rarely given to civilians. This was in recognition of her strong work ethic, fairness, and tenacity in assisting CAF members and their families living in DND housing in Yellowknife and Iqaluit.

Being the *agent of excellence* in the provision of residential housing for the CAF

As noted in Strong, Secure, Engaged: Canada's Defence Policy, one of the key objectives related to our mandate is the need to improve infrastructure on bases and wings, including military housing. The policy recognizes that military service has a broader impact than to those in uniform and includes several initiatives to improve the quality of life for both CAF members and their families. We recognize that some of our occupants have special requirements which make mobility within a standard home difficult and we are committed to providing barrier-free design solutions. This is realized through partnerships with CAF leadership, base and wing staff, industry professionals, and occupants.



In fiscal year 2017-2018, we successfully invested over $144 million into the housing portfolio. Included in the $144 million was $50 million from the Infra2016 program; government dedicated funds for the improvement of national infrastructure as identified in Budget 2016.

Through the combined investment from life cycle, betterment and recapitalization programs, we enhanced thousands of residential housing units. Our investments yielded improvements to the portfolio which included complete exterior and interior renovations, renovated kitchens and bathrooms, and improved parking and access.

Across Canada, 37 new residential housing units were constructed at three of our sites. These construction projects resulted in 26 apartment units (Cold Lake and Comox), four semi-detached homes and seven single homes (Trenton). Construction work on another 30 apartment units is well underway and was over 50% completed in March 2018. Our investments are allowing us to right-size our portfolio to better meet the needs of CAF members and their families.

Fostering a vibrant, competent workforce in a healthy workplace

As part of our journey of continuous improvement in fiscal year 2017-2018, we took further steps in our pursuit of organizational excellence. On the road to reaching Excellence Canada's Platinum Level Certification, we joined a two-year wellness study looking at the impact of BestLifeRewarded's (BLR) Health Behaviour Change Program. Along with four other government organizations, we joined the pilot study in September 2017. The Program uses several behaviour change models to promote a healthy lifestyle.

In fiscal year 2017-2018, we continued to focus on building an engaged, agile and sustainable workforce. Similar to the rest of the Department, our organization faces challenging workforce demographics that require a concerted effort, as more than 30% of our regional workforce will be eligible to retire by 2022.

In order to help mitigate these challenges, we continued carrying out our Strategic Workforce Management Plan which includes developing, maintaining and implementing flexible and efficient organizational structures aligned with current and future business objectives. It also includes a comprehensive succession planning process which is used to identify and develop talent at all levels throughout the organization, as well as a continuous focus on employee engagement and workplace wellness.

We have taken steps toward improving how we recruit our workforce; we began promoting some of our vacant positions using inter-departmental social media platforms. Use of new avenues for recruitment reflects our commitment to modernizing human resources practices and leveraging partnerships and opportunities with external stakeholders.

Excelling in our sound management practices and stewardship of resources

Throughout fiscal year 2017-2018, we continued to proactively explore new opportunities to implement energy efficient housing solutions in support of the Department's environmental objectives. As stated in Strong, Secure, Engaged: Canada's Defence Policy, and the Defence Energy and Environmental Strategy (DEES), new objectives were set which outline the Department's environmental priorities for the future. Specific to the Agency, Target 6 commits the Agency to "achieve an EnerGuide energy performance standard for all new or recapitalized residential housing units by 31 March 2020." In working toward this target, we perform energy efficiency evaluations to assess all new and recapitalized homes. Results for fiscal year 2017-2018 demonstrate that for all 206 assessed residential housing units, we are well on our way to achieving the target.

In addition to working toward the DEES targets, we remain committed to being a leader in environmental stewardship and sustainable management practices. Housing-related Energy Star, Green Globes and Leadership in Energy and Environmental Design (LEED) principles are fully integrated into our technical standards. These standards promote the use of green materials and methodologies for improved energy efficiency in maintenance work, lifecycle replacement and whole house renovation projects.

In line with Departmental priorities, we continue to dispose of surplus residential housing units, resulting in a reduced environmental footprint and helping to meet the Department's greenhouse gas reduction goals. In fiscal year 2017-2018, we expended $2.8 million on demolition projects that were carried out in Cold Lake, Winnipeg, Gagetown and Trenton.

Over the course of the year, the demolition program reduced the national housing portfolio by approximately 1%. These projects have helped to consolidate the residential housing sites and improve privacy, parking, landscaping, as well as security and access in our communities. Demolishing residential housing units also helps reduce operating costs and the need for future infrastructure and servicing utility upgrades.

The demolition projects follow federal and provincial regulatory requirements, through the proper assessment, remediation and documentation of soil contamination due to legacy activities, compliance with the disposal of systems containing halocarbons, the proper management of construction waste and hazardous building materials, as well as the decommissioning of fuel storage tanks. Surplus housing will continue to be demolished and divested during this upcoming fiscal year, as part of our ongoing rationalization strategy.

We continue to drive innovation in the delivery of maintenance services as exemplified by exercising a two year extension to our Maintenance Services Contract in Petawawa. This project continues to provide the Agency with increased flexibilities and process efficiencies resulting in our ability to provide a more efficient change of occupancy to CAF members and their families, allowing for smoother occupant moves and reduced wait times. As a result of the success of this pilot project, CFHA planned the implementation of a similar model in Gagetown for fiscal year 2018-2019.

Distribution of Funds

84.8% Direct Costs

40.5% **Capital and Betterment**
New construction and recapitalization, or work completed to improve an asset

23.5% **Life cycle and Maintenance**
Activities that maintain the useful life of the asset or its components (e.g. roof replacement, siding replacement, furnace replacement)

11.8% **Repairs**
Activities that address breakages of the asset, response to failures, or unforeseen events (e.g. concrete repairs, electrical repairs, plumbing repairs, heating, ventilation and air conditioning repairs)

9.0% **Housing Operations**
Activities directly attributable to regular/periodic upkeep of the housing units (e.g. snow removal, grass cutting, and general maintenance between occupancy) and management of vacant units

15.2% Indirect Costs

9.5% **Operational Salaries**
Salaries for Housing Services Centre personnel

3.0% **Corporate Salaries**
Salaries for Head Office personnel

1.6% **Corporate Overhead**
Lease and utilities, supplies, training, professional services, travel for Head Office employees, market studies, and strategic site plans

1.1% **Housing Services Centre Overhead**
Recurring activities required in running site offices (e.g. office lease and utilities, supplies, training, and travel for Housing Services Centre employees)

Financial Statements

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2018 and all information contained in these statements rests with the management of CFHA. These financial statements have been prepared by management in accordance with the accounting policies set out in Note 2 of the statements, on a basis consistent with that of the preceding year.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada and included in the Department of National Defence (DND) Departmental Results Report is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislations, regulations, authorities and policies.

Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Agency.

The CFHA financial statements have not been audited.

Approved By:

Emer Mullan	
David Thompson Chief Executive Officer Canadian Forces Housing Agency	Emer Mullan, CPA, CGA General Manager Finance, Procurement and Resource Management

Statement of Financial Position (Unaudited)

As at March 31

(in thousands of dollars)	2018	2017
Assets		
Financial Assets		
Accounts Receivable (Note 4)	**101**	**73**
	101	**73**
Non-Financial Assets		
Tangible Capital Assets (Note 5)	**368,489**	**313,245**
	368,489	**313,245**
Total	**368,590**	**313,318**

Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	**34,280**	**19,025**
Vacation Pay and Compensatory Leave	**980**	**911**
Employee Future Benefits (Note 8)	**999**	**922**
	36,259	**20,858**
Equity of Canada	**332,331**	**292,460**
Total	**368,590**	**313,318**

The accompanying notes form an integral part of these financial statements.

Statement of Operations (Unaudited)

For the year ended March 31

(in thousands of dollars)	2018	2017
Operating Expenses		
Maintenance and Repair	55,991	62,648
Salaries and Employee Benefits	21,588	17,487
Professional and Special Services	13,786	12,453
Amortization (Note 5)	9,654	9,430
Utilities, Materials and Supplies	6,655	5,969
Accommodation	4,964	5,087
Other Services	1,618	1,183
Travel and Relocation	1,025	901
Expenses Related to Tangible Assets (Note 5)	952	2,459
Equipment and Other Rentals	148	177
Loss on Disposal	103	-
Communication	29	87
Advertising, Printing and Related Services	19	46
Other	13	13
Bad Debts	(4)	63
Total Operating Expenses	116,541	118,003
Revenues		
Shelter Charges	94,480	93,565
Miscellaneous Revenues (Note 6)	6,140	6,305
Total Revenues	100,620	99,870
Net Cost of Operations	15,921	18,133

The accompanying notes form an integral part of these financial statements.

The expenses related to tangible assets include those assets that were not capitalized because they were lower than the capitalization threshold established by the Department (refer to Note 2(h) of these financial statements).

Statement of Equity of Canada (Unaudited)

For the year ended March 31

(in thousands of dollars)	2018	2017
Equity of Canada, beginning of year	**292,460**	**229,333**
Net Cost of Operations	**(15,921)**	**(18,133)**
Current Funding Used (Note 3)	**68,897**	**71,089**
Change in Net Position in the Consolidated Revenue Fund (Note 3)	**15,068**	**8,502**
Services Received Without Charge from Other Government Departments (Note 9)	**1,964**	**1,669**
Equity of Canada, end of year	**332,331**	**292,460**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows (Unaudited)

For the year ended March 31

(in thousands of dollars)	2018	2017
Operating Activities		
Net Cost of Operations	**15,921**	**18,133**
Non-Cash Items		
Amortization of Tangible Capital Assets (Note 5)	**(9,654)**	**(9,430)**
Services Provided Without Charge by Other Government Departments (Note 9)	**(1,964)**	**(1,669)**
Disposals and Transfers of Tangible Capital Assets	**(103)**	**(10)**
Variations in Statement of Financial Position		
Increase (decrease) in Accounts Receivable	**28**	**(23)**
(Increase) decrease in Liabilities	**(15,402)**	**8,892**
Cash Used by Operating Activities	**(11,174)**	**15,893**
Capital Investment Activities		
Acquisitions of Tangible Capital Assets (Note 5)	**65,001**	**63,699**
Cash used by Capital Investment Activities	**65,001**	**63,699**
Net Cash Provided by Government of Canada	**53,827**	**79,592**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statement (Unaudited)

1. Authority and Purpose

CFHA was established as a provisional special operating agency of DND in October 1995. In March 2004, it received permanent special operating agency status. DND is granted revenue spending authority from Parliament through the approval of an Appropriation Act. DND funds CFHA's operating activities from vote-netted revenues generated by shelter charges collected from the housing portfolio and credited to the Defence appropriation. The capital investment program of the Agency is funded through departmental appropriations.

CFHA manages Crown-controlled residential accommodation assets for DND, to ensure that those assets, occupied or available to be occupied, are maintained to a suitable standard. CFHA also develops and implements plans to meet the future residential needs of members of the CAF.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with government accounting policies which are based on Canadian public sector accounting standards. Significant accounting policies are as follows:

(a) Net Voting Authority

CFHA receives authority to operate net voting from Parliament with the approval of an Appropriation Act. Net Voting is the authority to expend revenues generated by shelter charges to offset related expenditures.

The Agency also receives additional funding from Departmental appropriations to provide DND-directed activities.

(b) Net Cash Provided by Government of Canada

The Agency operates within the CRF, which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the Federal Government.

(c) Change in net position in the Consolidated Revenue Fund

The change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and vote-netted revenues plus additional funding used in a year, excluding the amount of non-respendable revenue recorded by the Agency. It results from timing differences between when a transaction affects vote-netted revenues and when it is processed through the CRF.

(d) Revenues

- Revenues from shelter charges are recognized in the accounts based on the services provided in the year.
- Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- Services provided without charge by other government departments for the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

i. Pension benefits

Eligible civilian employees participate in the Public Service Pension Plan (the Plan), a multi-employer plan administered by the Government of Canada. The Department's contributions to the Plan are charged to expenses in the year incurred and represent the total Departmental obligation to the Plan. The Department’s responsibility with regard to the Plan is limited to its contributions.

ii. Severance benefits

Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits of termination from the public service.

(g) Accounts receivables

Receivables are stated at amounts expected to be ultimately realized; an allowance for doubtful accounts is made for receivables where recovery is considered uncertain. The allowance for doubtful accounts represents management's best estimate of probable losses in receivables. The allowance is determined based on an analysis of historic loss experience and an assessment of current condition.

(h) Tangible capital assets

All tangible capital assets, having an initial cost of $30,000 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Buildings (New Construction)	**40** years
Buildings (Betterment)	**20** years
Work in Progress	Once in service, in accordance with asset class

(i) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the remediation liabilities, the liability for employee future benefits, the allowance for doubtful accounts, and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

(j) Remediation Liabilities

Remediation Liabilities are recorded as accrued liabilities to recognize the estimated costs related to the management and remediation of contaminated sites where the Agency is obligated, or likely to be obligated, to remediate the sites.

3. Reconciliation of Current Year Funding Used

a) Reconciliation of Net Cost of Operations to Current Year Funding Used

(in thousands of dollars)	2018	2017
Net Cost of Operations	**15,921**	**18,133**
Adjustments for items affecting Net Cost of Operations but not affecting Funding:		
Amortization of Tangible Capital Assets (Note 5)	**(9,654)**	**(9,430)**
Vacation Pay and Compensatory Leave	**(69)**	**(9)**
Employee Severance Benefits	**(77)**	**342**
Adjustment to Previous Year's Accounts Payable	**(168)**	**(43)**
Services Provided Without Charge by Other Government Departments (Note 9)	**(1,964)**	**(1,669)**
Disposal and Transfer of Tangible Capital Assets	**(103)**	**(10)**
Other	**9**	**76**
	3,895	**7,390**
Adjustments for items not affecting Net Cost of Operations but affecting Funding:		
Acquisitions of Tangible Capital Assets (Note 5)	**65,001**	**63,699**
Current Year Funding Used	**68,896**	**71,089**

b) Reconciliation of Net Cash Provided by Government to Current Year Funding Used

(in thousands of dollars)	2018	2017
Net Cash Provided by Government	**53,827**	**79,592**
Revenue not available for Spending		
Change in Net Position in the Consolidated Revenue Fund		
(Increase) Decrease in Accounts Receivable and Advances	**(28)**	**23**
(Decrease) Increase in Accounts Payable, Accrued Liabilities and Transfer Payments Payables	**15,255**	**(8,559)**
Adjustment to Previous Year's Accounts Payable	**(168)**	**(43)**
Other Adjustments	**9**	**76**
	15,068	**(8,503)**
Current Year Funding Used	**68,896**	**71,089**

4. Accounts Receivable and Advances

(in thousands of dollars)	2018	2017
Receivables from Other Federal Government Departments and Agencies	**6**	**9**
Receivables from External Parties	**707**	**680**
Gross Accounts Receivable	**713**	**689**
Less: Allowance for Doubtful Accounts on External Receivables	**(612)**	**(616)**
Total	**101**	**73**

5. Tangible Capital Assets

Tangible Capital Assets

(in thousands of dollars)	Opening Balance	Acquisitions	Transfer	Disposals	Closing Balance
Residential Houses	221,531		34,314	(465)	255,380
Work in progress	150,363	65,001	(34,314)	-	181,050
Total Tangible Capital Assets	**371,894**	**65,001**	**-**	**(465)**	**436,430**

Accumulated Amortization

(in thousands of dollars)	Opening Balance	Current Year Amortization	Disposals and Transfers	Closing Balance
Residential Houses	58,649	9,654	362	67,941
Total Accumulated Amortization	**58,649**	**9,654**	**362**	**67,941**

Net Book Value

(in thousands of dollars)	2018	2017
Residential Houses	**187,439**	**162,882**
Work in progress	**181,050**	**150,363**
Total Net Book Value	**368,489**	**313,245**

Amortization expenses for the year ended March 31, 2018 is $9,654,052 (2017 - $9,430,596)

The expenses related to tangible assets on the Statement of Operations include those assets that were not capitalized because they were lower than the $30,000 capitalization threshold.

CFHA-managed residential housing assets were transferred from DND at the time of CFHA formation with “0” cost value instead of a historical cost of the assets and fully amortized value because the residential housing portfolio was more than 5 years old and there was a lack of accurate cost information dating back to that time.

6. Miscellaneous Revenues

(in thousands of dollars)	2018	2017
Recovery of Utility Charges	**4,715**	**4,659**
Recovery from Foreign Military Training	**1,228**	**1,428**
Others	**196**	**218**
Total	**6,139**	**6,305**

7. Accounts Payable and Accrued Liabilities

(in thousands of dollars)	2018	2017
Federal Government Departments and Agencies	**2,075**	**3,603**
External Parties		
Accounts Payable	**30,073**	**13,454**
Remediation Liabilities	**335**	**122**
Other Liabilities	**1,797**	**1,846**
Total Accounts Payable and Accrued Liabilities	**34,280**	**19,025**

Remediation Liabilities – Contaminated Sites

Liabilities are accrued to record the estimated costs related to the management and remediation of environmentally contaminated sites where the Agency is obligated or likely to be obligated to incur such costs. Liability estimates are based on information known at a given point in time. These estimates are subject to variability due to: professional judgment involved in developing estimates, the possibility that additional volumes of contaminated media may be discovered upon implementation of the remedial action plan, and/or new technologies becoming available during the course of implementing the remedial action plan.

The Agency has identified eleven sites where it is obligated to remediate and has recorded a remediation liability of $335,414 for these sites.

8. Employee Future Benefits

a. Pension Benefits

The Agency's employees participate in the Public Service Pension Plan (the Plan), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Department contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2017-2018 expense amounts to $1,814,080 ($1,802K in 2016-2017). For Group 1 members, the expense represents approximately 1.01 times (1.12 times in 2016-2017) the employee contributions and, for Group 2 members, approximately 1.00 time (1.08 times in 2016-2017) the employee contributions.

(in thousands of dollars)	2018	2017
Pension Expense	**1,814**	**1,803**

The Department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b. Severance Benefits

The Department provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

(in thousands of dollars)	2018	2017
Accrued Future Benefit Obligation, beginning of year	**922**	**1,264**
Expense for the Year	**211**	**(186)**
Benefits paid during the year	**(134)**	**(156)**
Accrued Future Benefit Obligation, end of year	**999**	**922**

9. Related Party Transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms.

A. Services Received Without Charge

Also, during the year, the Department received without charge from another department, the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Agency's Statement of Operations as follows:

(in thousands of dollars)	2018	2017
Employer's contributions to the health and dental insurance plans paid by TBS	1,964	1,669
Total	**1,964**	**1,669**

B. Payable Outstanding at the Year End with Related Parties

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Agency's Statement of Operations.

(in thousands of dollars)	2018	2017
Accounts Payable to Other Government Department and Agencies	2,075	3,603
Total	**2,075**	**3,603**

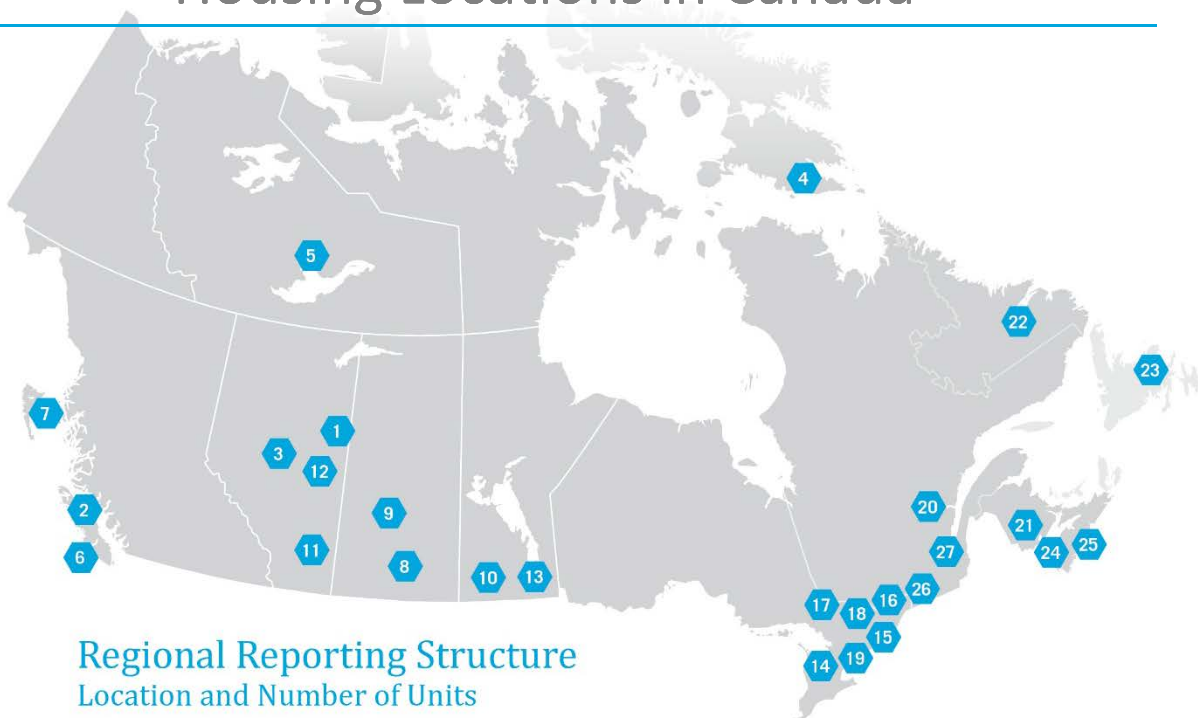
10. Contractual Obligations

The nature of the Agency's activities results in some large multi-year contracts and obligations whereby the Agency will be obligated to make future payments when services and/or goods are received.

Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2018-19	2019-20	2020-21	2021-22	2022-23 and thereafter	Total
Project	28,681	6,825	6,825	-	-	42,331
Operating Lease	4,532	710	654	605	3,144	9,647

Department of National Defence Housing Locations in Canada



Regional Reporting Structure

Location and Number of Units

Pacific and Western

1	COLD LAKE 840
2	COMOX 251
3	EDMONTON 504
4	Iqaluit 4
5	Yellowknife 98
6	ESQUIMALT 708
7	Masset 7
8	MOOSE JAW 168
9	Dundurn 28
10	SHILO 625
11	SUFFIELD 175
12	WAINWRIGHT 185
13	WINNIPEG 530

Central

14	BORDEN 663
15	KINGSTON 471
16	OTTAWA 146
17	NORTH BAY 182
18	PETAWAWA 1625
19	TRENTON 542

Quebec and Eastern

20	BAGOTVILLE 359
21	GAGETOWN 1435
22	GOOSE BAY 230
23	Gander 70
24	GREENWOOD 566
25	HALIFAX 485
26	MONTRÉAL 190
27	VALCARTIER 711

Updated April 2018

Agency Profile

CFHA provides support to DND by offering residential accommodation solutions to CAF members through the military housing program. As a special operating agency, CFHA contributes to the quality of life of CAF members and their families through the provision of housing services, and through the responsible and sustainable management of the Department's housing infrastructure. This consists of almost 11,800 residential housing units across Canada.

Our Mission

CFHA manages assets and provides accommodation services in support of the Canadian Armed Forces requirements and Canadian Armed Forces members' needs.

Our Values

Customer-centred

Commitment

Teamwork

Respect

Agility

Our Vision

CFHA excels in providing the Canadian Armed Forces with a portfolio of wide-ranging innovative accommodation solutions.

Contact us

Canadian Forces Housing Agency
National Defence Headquarters
Major-General Georges R. Pearkes Building
101 Colonel By Drive
Ottawa ON K1A 0K2

General inquiries: 1 888-459-CFHA (2342) or
cfha-alfc@forces.gc.ca

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