



CANADIAN FORCES HOUSING AGENCY

ANNUAL REPORT 2019-2020



National
Defence

Défense
nationale

Canada 

Table of contents

1. The year in review from the Chief Executive Officer.....	1
2. About the Agency.....	3
2.1 Housing	4
2.1.1 Current housing portfolio	4
2.1.2 Community revitalization	4
2.1.3 Feature project - Trenton new builds	5
2.1.4 Feature project – heritage house restoration in Kingston.....	5
2.1.5 Greening initiatives	6
2.2 Customer service	7
2.2.1 Emergency After Hours Services	7
2.2.2 Complaint resolution process	7
2.2.3 Customer satisfaction with contractor performance	8
2.3 Workforce	8
3. Results.....	9
3.1 Housing	9
3.2 Occupant survey results	11
3.3 Modernizing our services	12
3.3.1 Digitizing our services	12
3.3.2 Twitter.....	12
3.3.3 Military housing on Canada.ca	13
3.4 Recipient of a platinum level excellence award in November 2019 ...	13
4. Looking to the future	14
5. Distribution of funds	16
6. Financial statements	17
7. Department of National Defence housing locations.....	34

1. THE YEAR IN REVIEW FROM THE CHIEF EXECUTIVE OFFICER



I am proud of the Canadian Forces Housing Agency (CFHA) that is comprised of a team of individuals who each contribute to and collectively ensure that military members and their families have a place to call home. The Special Operating Agency has been providing residential accommodation solutions for the Canadian Armed Forces (CAF), and turning houses into homes for CAF members and their families for over 24 years.

In 2019-2020, our mission focus continued as it has been for over two decades, being motivated to providing the best possible housing solutions and services to those who serve our country. The Department of National Defence residential housing program continued to contribute to the quality of life of CAF members, helped build resilient families, and ultimately enabled CAF operational readiness. Resilient families are strong families.

I am honoured to present CFHA's achievements which were realized in no small part due to the support of Defence Team enabling organizations including the Assistant Deputy Minister (Infrastructure and Environment) and the Military Personnel Command, as well as from the outstanding work and dedication of CFHA employees that put their best effort daily to enable our strategic outcomes. This year we invested over \$118.5M in the modernization of the housing portfolio and associated housing services; touching 5,180 of the 11,673 houses in our portfolio or some 44%. Our investments included 59 complete whole house recapitalizations, smaller interior renovations (119 bathrooms and 99 kitchens) and in the construction of 12 new Residential Housing Units (RHU).

The investments in the housing portfolio enabled the implementation of Canada's Defence Policy: Strong, Secure, Engaged (SSE), initiative 104B: Improve Housing for CAF Personnel. Likewise, CFHA engagements with departmental stakeholders resulted in the potential for innovative new housing services in support of initiative 24: Develop a Comprehensive Military Family Plan to stabilize family life for CAF members and their families who frequently have to relocate.

In our commitment to Canada's future and Government of Canada greening government priorities, we applied energy efficiency standards to all new builds and renovations. This created a direct impact on our occupants by having more comfortable houses and lower energy costs. In the last year, we received three Green Globe certifications for energy efficiency. This will also enable CFHA to meet targets that contribute to key environmental and energy improvements as outlined in the [Defence Energy and Environment Strategy \(DEES\)](#).

The Agency's ingrained culture of persistent improvement in service delivery continued to be at the core of how we delivered the housing program. Input from the CAF and CAF members was at the root of business decision-making, and we worked diligently to ensure that we were able to meet their housing expectations. Last year we formalized a Statement Corporate Social Responsibility. We recognized our responsibility to promote the public interest through balanced and sustainable operations. We focused on the following four priority areas across the Agency:

- ensuring that our operations protect the environment and people
- conducting our business with the highest level of integrity
- building a sustained, supportive, and inclusive workforce and workplace
- contributing to the communities where we live and work

In an assessment of our organizational culture, we were unified and defined by one overarching word – Commitment. Our organizational success is founded in our commitment to our mandate and mission, our occupants, our CAF clients, and to each other.

As a capstone, our commitment to Excellence, Innovation and Wellness (EIW) was recognized by Excellence Canada (EC) by achieving certification at the platinum level and being a recipient of a Canada Award for Excellence (CAE). The CAE is EC's eminent award for organizational excellence. Striving to always achieve more for the members that we serve, CFHA will continue to focus on its Excellence journey by concentrating on its strengths and opportunities to advance the customer experience and work towards the Order of Excellence in the EIW standard.

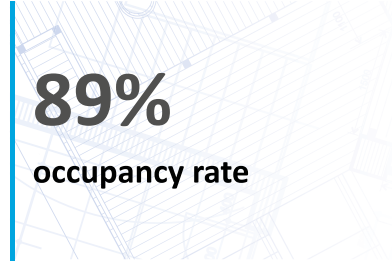
David Thompson
Chief Executive Officer
Canadian Forces Housing Agency



2. About the Agency

CFHA delivers the DND residential housing program and supporting housing services to the CAF, the CAF members, and their families across Canada. Each year, there are thousands of CAF members relocated throughout the country and in and out of our houses. We ensure that RHUs are move-in ready, well maintained and kept in good repair. Peace of mind at home contributes to CAF families' resiliency. Many military families choose to live in defence residential housing because it provides them with certainty that their families are safe and secure when the serving member is away from home.

CFHA is a recognized leader in federal housing, effectively managing some 83% of the total Government of Canada's total housing floor area. We offer housing as an accommodation option to support CAF members and their families as they frequently relocate across Canada as duty demands, and at times, on short notice. This past year, CFHA made a significant effort in modernizing housing service delivery. We concentrated effort on digitizing services, both in terms of occupant interaction and in enabling staff with modern tools to make better use of data in decision making and as secondary result greening operations by reducing the number of paper based transactions.



Understanding that every family has their own unique needs, and in an effort to support [Gender-based Analysis Plus \(GBA+\)](#) requirements, a priority remained offering quality housing that also responds to the varied needs of diverse CAF families, while continuing to ensure a positive occupant experience through customer service excellence. As such, we offer single, semi-detached, row, and barrier-free accessible houses as well as apartments. CFHA works with Defence Team partners to support operational readiness; whether it's due to a deployment, an exercise away from home, or the upheaval that postings and moving brings, CFHA is dedicated to minimizing disruption for every family that can come from life in the military.

27

Locations

27,293

Occupants

11,673

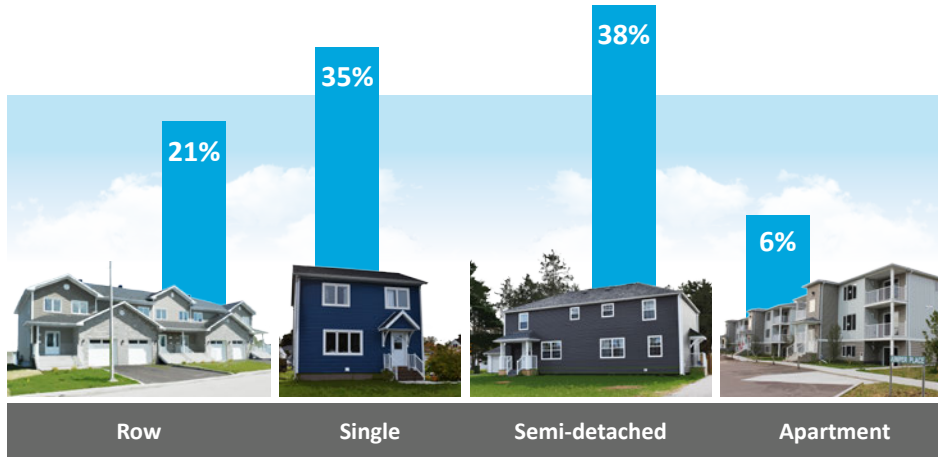
Residential Housing
Units (RHUs)

2.1 Housing

In 2019-2020, we continued to deliver an ambitious program of lifecycle replacement and capital improvements, with an increased investment focus on improving energy efficiency and in reducing our carbon footprint. As we continued to revitalize communities, we improved the safety, accessibility, energy efficiency, and comfort for our occupants.

2.1.1 Current housing portfolio

11,673 Residential Housing Units



2.1.2 Community revitalization

In order to support an increasingly diverse CAF, CFHA constructed two-bedroom apartment RHUs to better suit changing CAF family demographics.

Community beautification projects commenced in places such as Saint-Hubert, where we worked to revitalize the neighbourhood. The initiative included the redevelopment of a pedestrian walkway and the installation of new fences and sheds. Likewise, Bagotville contributed to community pride with a yard beautification competition where occupants were encouraged to display their green thumb gardening efforts for curb side appeal. Not only did this bring people together, but it improved the look of the neighbourhood and built a sense of community.

CFHA is committed to being transparent, open and accountable to Canadians. As a distinct Program within DND's Departmental Results Framework, CFHA reports results of the Military Family Housing Program annually, through the Departmental Results Report.

National RHU Condition Assessment

- 4.3 %
- 7.7 %
- 71.8 %
- 16.2 %



New	Above average
Average	Below average

2.1.3 Feature project - Trenton new builds



The Agency announced the completion of six additional residential housing units at 8 Wing Trenton. The project resulted in the construction of two storey houses, each with three bedrooms, an attached garage, and modern amenities that will better serve the needs of CAF members and their families.



Thanks to the innovative thinking of the CFHA team members and delivery partners, the project was completed in just seven months, as protective temporary structures were used to enable construction to continue throughout the winter. The structures helped protect against the elements and maintained an acceptable temperature, allowing for the pouring of the footings and the foundation walls during the winter season. The contract was awarded at the end of November 2018 and due to the team's great efforts, the first occupants received keys to these RHUs in June 2019.

2.1.4 Feature project – heritage house restoration in Kingston



Situated in one of the oldest cities in Canada, Housing Services Centre (HSC) Kingston is located in an area of historical significance. As such, CFHA manages an RHU designated as a heritage building by the Federal Heritage Buildings Review Office. The Agency is honoured to preserve the history of the property for future generations by restoring and properly maintaining the unique heritage characteristics of the RHU.

In 2019 work began on the repair, replacement, and restoration of the columns that support the front veranda of this heritage-designated building. The replacement components were constructed to exactly match the originals, but built with modern materials, techniques, and technology to better withstand the elements in the future.

With our eyes fixed to the future in our modernization efforts, this work remained important in persevering CAF history and Canadian buildings of heritage significance.

2.1.5 Greening initiatives

CFHA is committed to a sustainable future and therefore contributed to meeting the reduction of greenhouse gas (GHG) emissions in line with departmental targets. In accordance to the DEES and the DND Green Building Directive, our goal is to seek certification of new construction apartment buildings as Green Globes. Furthermore, we were able to meet the DEES Target five (Strategy of 2018-2020) which was to achieve an EnerGuide energy performance standard for all new or recapitalized RHUs. In addition we are greening operations, such as digitizing our business processes and, where we are able to, we are continuing to replace the commercial vehicle fleet with hybrid or electric technology.

In the year 2019-2020, the Agency has taken the following steps to reduce its carbon footprint:

- Replaced nine existing Agency vehicles with hybrid cars.
- Application for Green Globes certification began in 2019-2020 for projects in Borden and Moose Jaw for a total of 18 more energy efficient RHUs.
- Continued to use the EnerGuide per Houses (EGH) assessment tool, to ensure CFHA remains a leader in energy efficiency improvements for Crown housing. To that effect, 75% of recapitalizations have tested within 15% of Canada's National building code.
- CFHA's assessment results demonstrate that renovations are consistently reducing the overall energy consumption of the housing portfolio and reducing our carbon footprint.



2.1.5.1 Feature project – Kingston tree replacement initiative

The Kingston area has seen many of its mature trees destroyed by the emerald ash borer beetle. The damage from the 1998 ice storm two decades ago has also had a lingering and significant effect on some of the oldest and largest trees at Canadian Forces Base (CFB) Kingston. As a result, many large trees have been removed in recent years. CFHA realized that, unless there is a plan to invest in the repopulation of the tree stock, the large shade trees that have been enjoyed for generations throughout the residential housing area could disappear in the not too distant future.



In 2019, fifty new trees were planted. We replaced the trees that had been previously removed and planted even more in additional locations that could be enjoyed by occupants. This project is also an

investment in our future. Besides the trees having a GHG scrubbing ability, their strong roots will contribute to mitigating future soil erosion, which is in line with the [Greening Government Strategy](#) response to the effects of climate change. We focused on planting species native to the area, expecting that the cottonwoods, hackberries, sugar maples, white spruces and pines will flourish with continued care.

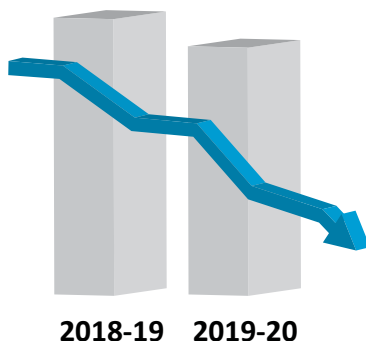
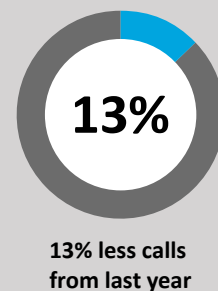
2.2 Customer service

During the fiscal year 2019-2020, CFHA completed around 6,000 housing allocation transactions. We recognize that a move can be stressful. We wish to support CAF members through their move and make the experience as stress free as possible. The CFHA team is dedicated to offer personalized services, in order to meet CAF family needs.



2.2.1 Emergency After Hours Services

CFHA is dedicated to provide 24-hour assistance to occupants. We are ready to respond to any unpredictable weather condition or other emergency that may affect RHUs at any time of the day or night. With our emergency after-hours response service (EAHRS) line, our occupants can receive assistance at any time.



2.2.2 Complaint resolution process

We continued to improve the intake, management and resolution of customer complaints through the Complaint Resolution Process. CFHA analysed customer complaints and inquiries by using data from last year which identifies location and type of issue raised. This proactive process in identifying issues helped management recognize and address systemic issues and to ultimately improve the quality of services to occupants.

Reduction of **10.3%** in complaints and service calls in 2019-2020

2.2.3 Customer satisfaction with contractor performance

CFHA monitors occupant satisfaction with contractor timeliness and responsiveness with repairs and maintenance service requests. Based on previous occupant feedback, we took measures to improve our evaluation of contractor performance. This input helped us optimize front-line services and our occupants' experiences.

- 73% of occupants are very satisfied with the services they received from a contractor
- 7% increase in the satisfaction of the quality of major renovations from the previous evaluations
- 6% increase in punctuality of contractors for minor repairs from the previous evaluations

2.3 Workforce

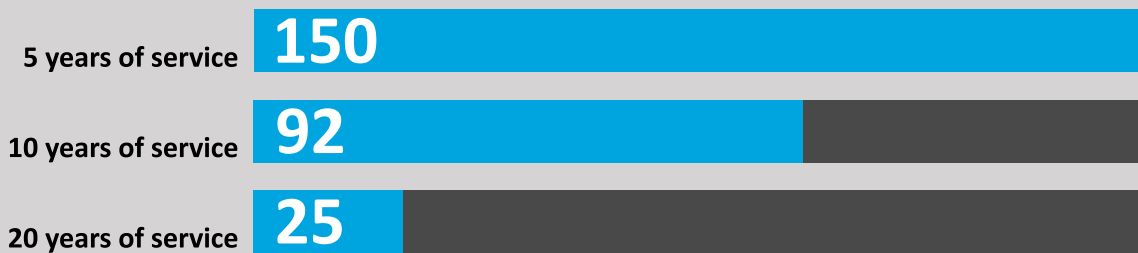
In accordance with [Beyond 2020](#)'s values of providing an inclusive workplace, CFHA believes that a strong workforce is achieved through its diversity. We fostered a strong relationship with the CAF as we employed military members who were transitioning to the Public Service as well as employing military spouses. Their unique perspective and experiences are assets to the Agency, and have provided us with incredible insight for service improvements. We welcome employment equity groups in our workplace and made it a staffing priority. We celebrated diversity and worked to build inclusivity ensuring that our workforce is comfortable and accepted in the workplace. Furthermore, employees also feel that their employment is a good fit with their skills and interest, which was demonstrated by CFHA's [Public Service Employee Survey](#) results in 2019-2020. Together we provided training to increase functional, technical and operational competency.

293
employees

5
military to civilian
transitions

25
students were hired

Employees' service milestones



3. Results

3.1 Housing

Investments in the Housing Portfolio

- Invested over \$118.5M into the housing portfolio
- 81% of the rent revenue was directed back into the portfolio
- 59 recapitalized RHUs
- 119 new bathrooms
- 99 new kitchens
- 12 new RHUs built, six single houses in Trenton and six apartments in Moose Jaw
- 331 exterior renovations completed
- 95 interior renovations completed
- 83.6% of the housing portfolio considered to be in average or above condition as stated in the Departmental Results Framework

Noteworthy:

- All RHUs in North Bay are now equipped with air-conditioning
- Halifax completed the recapitalization of two apartment building basements with storage and laundry room and a dedicated modern utility room
- Both Cold Lake and Edmonton provided new furnaces and hot water tanks for 114 and 26 RHUs respectively
- 24 roofs were replaced in Shilo
- Better drainage was provided for 38 RHUs in Wainwright and Winnipeg
- Roofs were replaced in Halifax of three conjoined apartment buildings to sloped steel instead of the flat bitumen asphalt, which will provide better drainage and will help with insulation; This is not only more energy efficient, but will also last for over 20 years



59
recapitalized RHUs

119
new bathrooms

99
new kitchens

12
new RHUs built

331
exterior renovations
completed

95
interior renovations
completed



Investments in the housing portfolio			Amount
RHU	recapitalization/renovation	* 394	\$36.5M
RHU	maintenance and repairs		\$36.2M
RHU	lifecycle (replacement of major components that are at or near the end of their useful life)		\$37.6M
RHU	new builds	12	\$5.3M
RHU	demolitions	21	\$2.3M
<p>* CFHA implemented 394 recapitalization and renovation projects last year, of varying scopes; units may be impacted by multiple projects throughout the year, depending on the nature of the work.</p>			

3.2 Occupant survey results

In 2019-2020, CFHA surveyed occupants through a third party to ascertain the level of satisfaction with their RHU and Agency services. Survey results indicate an improvement in satisfaction with housing, housing services and with occupant communication.

The most determining factors that influence our occupant satisfaction remain the condition of their RHU, experiences with repairs and renovations, and communication on house-related issues.

Noteworthy highlights from the survey results include:

Experience and satisfaction with DND housing

- 85% of occupants are at least somewhat satisfied with their current accommodation
- 68% of occupants say the condition of the house to be the most important housing attribute

Experience and satisfaction with CFHA Services

- More than 6/10 occupants now rate CFHA service as excellent or good
- 50% of occupants give a rating of excellent to staff friendliness and courteousness
- Occupants are strongly satisfied with the quality and speed of both renovations and repairs, and with the promptness of the contractor
- 79% of occupants are satisfied with services received after hours

CFHA communications

- 6/10 occupants say that CFHA's communication is excellent or good
- 50% of occupants use the CFHA website

Quality of life

- 45% of occupants believe that quality housing contributes to their overall satisfaction with life in the CAF
- Almost all occupants continue to say that the distances between home and regular destinations like work, their child's school or daycare, recreation, and shopping are reasonable

85%

of occupants are at least somewhat satisfied with their current accommodation.

79%

of occupants are satisfied with services received after hours.

3.3 Modernizing our services

In response to Beyond 2020's vision that promotes a modern and agile workplace, CFHA is committed to providing the necessary tools and equipment to staff in order to achieve customer service excellence. In 2019-2020, we successfully implemented the use of new communication products and processes to improve the occupant experience.



3.3.1 Digitizing our services

A pilot project was initiated in 2019-2020 with the goal of modernizing services for occupants. Technicians were provided with tablets in order to assist them in performing their work on location. In addition to streamlining the service order request process, the project was also part of an environmental initiative. Technical Service Officers (TSO) from five Housing Service Centres (HSCs) were part of the pilot and they will continue to use the technology as other HSCs are onboarded. The pilot was met with enthusiasm from the staff who were more than happy to adapt to a modern and agile workplace. Indeed, TSOs from Esquimalt, Greenwood, Moose Jaw, Montreal and Ottawa, supported the expansion of this initiative for implementation across the country.

In following with the occupants' preference for receiving more digital communications, we launched a digital welcome kit. This essential information featuring quick links and helpful guides is now provided to occupants through email and readily available for quick reference. Customer service representatives were consulted in the making of the digital welcome kit during a country wide workshop. Their participation was crucial to assess frontline key communication that would meet occupant needs and in adapting communication products going forward.



3.3.2 Twitter

We saw a steady increase in followers on Twitter. CFHA's account was used to increase awareness of the Agency's services, initiatives, investments, and job opportunities. The Twitter account was also useful to foster relationships with stakeholders. Our increased engagement on the platform enabled us to reach thousands of occupants and key stakeholders every week. Indeed, within the year, we doubled our number of followers and we reached an average of 21,000 impressions a month.

2019-20 @CFHA_ALFC TWITTER SUMMARY

Tweets	Retweets	Likes	Average engagement rate
176	347	522	1.16%
Links clicks	Impressions	Followers	New followers
555	256,609	282	134

*Average engagement rate on Twitter is of 0.5%

3.3.3 Military housing on Canada.ca

The Agency continued to update content on Canada.ca and improve the user experience. Multiple efforts were made to increase the use of web content through occupant communications, such as notices, tweets and the digital welcome kit.

	2018-2019	2019-2020
Yearly average of monthly visitors	3,799	9,233
Yearly average of page views monthly	15,760	33,853

Over the 2019-2020 year, we have seen:

- Over 110,000 visitors
- Total visitors increased 2.4 times over the previous year
- Over 406,000 pages viewed

3.4 Recipient of a platinum level excellence award in November 2019

At CFHA, it is in our second nature to strive for excellence and continual improvement in all that we do. We are committed to working together across the Agency to provide the very best in housing services to the CAF and their families. As such, CFHA has been on a journey with Excellence Canada (EC) for several years. The support to daily work, improvements made to our governance, the willingness to innovate, and the wellness in our workplace has been the direct result of the team's dedication, and in the background of our complex machine, the pivotal guidance of Excellence Canada in supporting the advancement of our journey. Together we produced outstanding results year over year. In recognition of that achievement, CFHA was recognized by EC for meeting the mark of a world-class organization and received a Platinum Certification, making it our third Canada award for Excellence, Innovation, and Wellness from EC.

4. LOOKING TO THE FUTURE

In 2020-2021, our priorities and work will continue to uphold the initiatives set out by the DND and the Government of Canada.

Our first order of business will remain, as it has, to provide residential housing for CAF members and their families. We pride ourselves in ensuring that the CFHA RHUs CAF members occupy can be the places military families call home.

We look forward to completing and unveiling two new apartment buildings in Borden, which will provide a modern housing option for over 12 CAF families at the defence establishment with a noted high demand for rental housing. We plan to rigorously invest rent revenues in completing more recapitalizations and exterior retrofits. We will continue the divestment of RHUs that have surpassed their lifecycle achieving to portfolio rationalization. When possible, the Agency will contribute to community revitalizing projects to build on the occupant experience.

The Agency has committed to meeting the new target in the [DEES 2.0](#), to develop net-zero carbon ready designs for two residential archetypes or ‘styles’ by 2023. Further, CFHA will contribute to the DEES 2.0 by replacing 11 DND commercial fleet vehicles with low or zero-emission options.

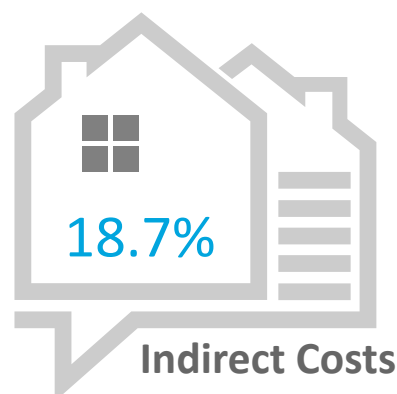
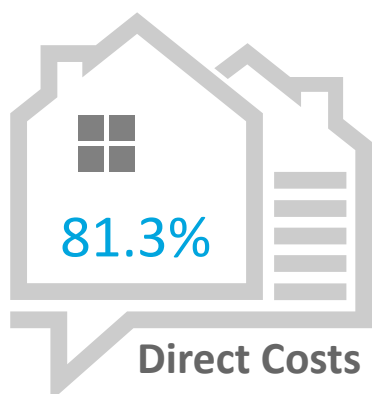
The Government of Canada continues to be committed to creating more opportunities for Indigenous-led businesses. To that end, CFHA will aim to increase federal government contracting opportunities for Indigenous firms by participating in outreach sessions designed to highlight the nature of work to be procured in the future in support of the Agency objectives. In addition, the sessions will walk through the set of tools that offer information and guidance to support Indigenous businesses interested in identifying and pursuing federal government contract opportunities.



In the continued modernization of service delivery, CFHA will focus on the digitization of service to allow occupants to receive services through their preferred means. In 2020-2021, CFHA will complete the implementation of the mobile workplace program, which will enable service technicians to access program data and work tools remotely while visiting RHUs, and improve the use of timely data in decision making and support work away from the physical office. Furthermore, we will work to develop requirements for an online occupant portal; once launched in future years, the occupant portal will seamlessly capture data and integrate it with CFHA's existing database management software. This capture of data will be realized in real time and centrally managed to allow for better data integrity, in addition to contributing to the occupant experience by improving how they are able to interact with CFHA. Furthermore, the portal – to be made available to occupants 24/7 - will enable more efficient, reliable, and secure communications with occupants.

As of March 2020, the COVID-19 pandemic tested CFHA's resilience and adaptability. Following public health recommendations, CFHA adjusted to the new work environment while ensuring occupants received a consistent level of service. This upcoming year we will prioritize efforts to ensure the continuity of service excellence in a safe and effective manner.

5. Distribution of funds



29.2% **Capital and Betterment**
New construction and recapitalization, or work completed to improve an asset

26.5% **Life cycle and Maintenance**
Activities that maintain the useful life of the asset or its components (e.g. roof replacement, siding replacement, furnace replacement)

10.7% **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)

13.3% **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

1.6% **Demolition**
Activities related to the disposal of housing assets that are non-capital

8.6% **Operational Salaries**
Salaries for Housing Services Centre personnel

6.2% **Corporate Salaries**
Salaries for Head Office personnel

3.0% **Corporate Overhead**
Lease and utilities, supplies, training, professional services, travel for Head Office employees, market studies, and strategic site plans

0.9% **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)

6. Financial statements

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2020 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:



David Thompson
Chief Executive Officer
Canadian Forces Housing Agency



Anthony Soares, CPA, CA
General Manager
Finance, Procurement and Resource Management

Date: 3 December 2020

Statement of Financial Position (Unaudited)

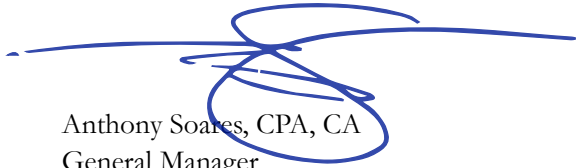
As of March 31, 2020

(in thousands of dollars)	2020	2019
Liabilities		
Accounts payable and accrued liabilities (note 4)	47,859	78,009
Vacation pay and compensatory leave	1,200	1,061
Employee future benefits (note 5)	920	956
Total liabilities	49,979	80,026
Financial assets		
Accounts receivable (note 6)	116	73
Total financial assets	116	73
Net debt	49,863	79,953
Non-financial assets		
Tangible capital assets (note 7)	437,766	408,442
Total non-financial assets	437,766	408,442
Net financial position	387,903	328,489

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



David Thompson
Chief Executive Officer
Canadian Forces Housing Agency



Anthony Soares, CPA, CA
General Manager
Finance, Procurement and Resource Management

Date: 3 December 2020

Statement of Operations and Net Financial Position (Unaudited)

For the year ended March 31, 2020

(in thousands of dollars)	2020	2019*
Expenses		
Strategic Housing Portfolio Planning	1,100	982
Real Property Housing Programs	3,989	20,377
Housing Operations and Customer Services Programs	103,673	91,178
Military Housing Program Support, Control and Coordination	9,651	8,178
Total expenses	118,413	120,715
Revenues		
Shelter charges	97,975	95,593
Miscellaneous revenues	5,768	6,522
Total revenues	103,743	102,115
Net cost of operations	14,670	18,600
Government funding and transfers		
Net cash provided by government	72,100	12,994
Services provided without charge by other government departments (note 9)	1,984	1,763
Net cost of operations after government funding and transfers	(59,414)	3,843
Net financial position — beginning of year	328,489	332,332
Net financial position — end of year	387,903	328,489

Segmented information (note 10).

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).

*Comparative figures have been reclassified to conform to the current year's presentation.

Statement of Change in Net Debt (Unaudited)

For the year ended March 31, 2020

(in thousands of dollars)	2020	2019
Net cost of operations after government funding and transfers	(59,414)	3,843
Change due to tangible capital assets		
Acquisition of tangible capital assets (note 7)	41,424	50,994
Amortization of tangible capital assets (note 7)	(12,100)	(11,042)
Total change due to tangible capital assets	29,324	39,952
Net increase (decrease) in net debt	(30,090)	43,795
Net debt — beginning of year	79,953	36,158
Net debt — end of year	49,863	79,953

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

Statement of Cash Flow (Unaudited)

For the year ended March 31, 2020

(in thousands of dollars)	2020	2019
Operating activities		
Net cost of operations	14,670	18,600
Non-cash items		
Amortization of tangible capital assets (note 7)	(12,100)	(11,042)
Services provided without charge by other government departments (note 9)	(1,984)	(1,763)
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable	43	(28)
Decrease (increase) in accounts payable and accrued liabilities	30,150	(43,729)
(Increase) in vacation pay and compensatory leave	(139)	(81)
Decrease in employee future benefits	36	43
Cash used by operating activities	30,676	(38,000)
Capital investment activities		
Acquisitions of tangible capital assets (note 7)	41,424	50,994
Cash used by capital investment activities	41,424	50,994
Net cash provided by Government of Canada	72,100	12,994

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

Notes to the Financial Statement (Unaudited)

1. Authority and objectives

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.

Effective fiscal year 2019-20, the Agency has implemented a new Departmental Results Framework (DRF) composed of four core responsibilities. It replaces the Program Alignment Architecture (PAA) used in previous years.

The new DRF defines clearly the results to be achieved, carefully measures the progress in achieving them, and most importantly communicates to Canadians what has been achieved on their behalf and the resources used to do so.

The activities associated with the core responsibilities were aligned and regrouped in the new DRF as summarized below:

(a) Strategic Housing Portfolio Planning - DRF 6.4.1

Conduct strategic portfolio planning and program development activities, analyze and determine housing requirements and issue program direction.

(b) Real Property Housing Programs - DRF 6.4.2

Manage real property housing programs including residential housing unit construction, recapitalization, betterment and housing portfolio rationalization and disposal projects.

(c) Housing Operations and Customer Service Programs - DRF 6.4.3

Manage housing operations, asset lifecycle, maintenance and repairs programs. Housing operations include snow removal, grass cutting and janitorial, landscaping, pest control, and utility payments. Lifecycle includes the replacement of major components or assemblies that are at or near the end of their useful life. Repairs are to restore damaged or worn-out property to normal operating conditions. Provide housing services to CAF members including housing allocation, shelter-charge setting and collection, move-in/move out coordination, customer relations, terms of occupancy and licence agreements and maintenance requests.

(d) Military Housing Program Support, Control and Coordination - DRF 6.4.4

Manage, control and monitor the Military Family Housing program to achieve expected Program outcomes. Includes program support activities such as corporate services, financial management, planning, procurement, human resource services, information technology services and infrastructure, governance, performance measurement, reporting relationship and partnership management and advice relating to DND and CAF housing.

2. Summary of significant accounting policies

These financial statements have been prepared using the government's accounting policies stated below, which are based on Canadian public sector accounting standards (PSAS).

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 receivable

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) 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.

(j) 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.

(k) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions

are recorded on a gross basis and are measured at the carrying amount, except for the following:

- (i) services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- (ii) certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

3. Parliamentary authorities

The Agency receives a portion of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

(in thousands of dollars)	2020	2019
Net cost of operations before government funding and transfers	14,670	18,600
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets (note 7)	(12,100)	(11,042)
Services provided without charge by other government departments (note 9)	(1,984)	(1,763)
Decrease in employee future benefits	36	43
(Increase) in vacation pay and compensatory leave	(139)	(81)
Adjustments to previous year's accounts payable	(66)	(53)
Other	78	(486)
Total items affecting net cost of operations but not affecting authorities	(14,175)	(13,382)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets (note 7)	41,424	50,994
Total items not affecting net cost of operations but affecting authorities	41,424	50,994
Current year authorities used	41,919	56,212

(b) Authorities provided and used

(in thousands of dollars)	2020	2019
Net cash provided by government	72,100	12,994
Revenue not available for spending		
Change in net position in the consolidated revenue fund		
(Increase) decrease in accounts receivable	(43)	28
(Decrease) increase in accounts payable, accrued liabilities	(30,150)	43,729
Adjustments to previous year's accounts payable	(66)	(53)
Other adjustments	78	(486)
Current year authorities used	41,919	56,212

4. Accounts payable and accrued liabilities

The following table presents details of the Agency's accounts payable and accrued liabilities:

(in thousands of dollars)	2020	2019
Accounts payable - other government departments and agencies	3,304	2,768
Accounts payable - external parties	42,523	72,359
Total accounts payable	45,827	75,127
Remediation liabilities	572	579
Other liabilities	1,460	2,303
Total accounts payable and accrued liabilities	47,859	78,009

5. 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/Québec Pension Plan 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 related 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 2019-20 expense amounts to \$2,023 thousand (\$1,958 thousand in 2018-2019). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2018-2019) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2018-2019) the employee contributions.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

(in thousands of dollars)	2020	2019
Pension expenses	2,023	1,958

b) Severance benefits

Severance benefits provided to the Agency's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2020, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

(in thousands of dollars)	2020	2019
Accrued benefit obligation - beginning of year	956	999
Expenses for the year	20	89
Benefits paid during the year	(56)	(132)
Accrued benefit obligation - end of year	920	956

6. Accounts receivable

The following table presents details of the Agency's accounts receivable balances:

(in thousands of dollars)	2020	2019
Receivables - External parties	284	177
Receivables - Other government departments and agencies	3	9
Subtotal	287	186
Less: allowance for doubtful accounts on receivables from external parties	(171)	(113)
Net Receivables	116	73

7. Tangible capital assets

The following table presents details of the cost of tangible capital assets:

Tangible Capital Assets					
(in thousands of dollars)	Balance beginning of year	Adjustments	Acquisitions	Disposals	Balance end of year
Buildings and works					
Residential houses	269,445	-	11,557	-	281,002
Work in progress	217,980	-	29,867	-	247,847
Gross tangible capital assets	487,425	-	41,424	-	528,849

The following table presents details of the amortization of tangible capital assets and its net book value:

Amortization					
(in thousands of dollars)	Balance beginning of year	Adjustments	Amortization	Disposals and write-offs	Balance end of year
Buildings and works					
Residential houses	78,984	-	12,100	-	91,083
Work in progress	-	-	-	-	-
Total	78,984	-	12,100	-	91,083

Net Book Value		
(in thousands of dollars)	2020	2019
Buildings and works		
Residential houses	189,919	190,462
Work in progress	247,847	217,980
Total	437,766	408,442

Amortization expenses for the year ended March 31, 2020 is \$12.10 million (2018-19 - \$11.04 million).

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 50 years old and there was a lack of accurate cost information dating back to that time.

8. Contractual obligations

The nature of the Agency's activities may result in some large multi-year contracts and obligations whereby the Agency will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2020-21	2021-22	2022-23	2023-24	2024-25 and thereafter	Total
Projects	33,087,174	360,326	-	-	-	33,447,500
Operating lease	4,516,078	709,052	925,437	932,647	5,088,731	12,171,945
Total	37,603,252	1,069,378	925,437	932,647	5,088,731	45,619,445

9. Related party transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. The Agency did not identify any material transactions that occurred at a value different from which would have been arrived at if the parties were unrelated.

(a) Common services provided without charge by other government departments

During the year, the Agency received services without charge from certain common service organizations, related to accommodation, legal services, the employer's contribution to the health and dental insurance plans and workers' compensation coverage. These services provided without charge have been recorded in the Agency's Statement of Operations and Net Financial Position as follows:

(in thousands of dollars)	2020	2019
Employer's contributions to the health and dental insurance plans paid by Treasury Board Secretariat	1,984	1,763
Total	1,984	1,763

The government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in the Agency's Statement of Operations and Net Financial Position.

(b) Other transactions with related parties

(in thousands of dollars)	2020	2019
Accounts payable to other government department and agencies	3,304	2,768

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

10. Segmented information

The presentation by segment is based on the Departmental Results Framework (DRF) as stated in note 1 and is based on the accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main result framework, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)	6.4.1 ⁽¹⁾	6.4.2 ⁽²⁾	6.4.3 ⁽³⁾	6.4.4 ⁽⁴⁾	2020	2019
Operating expenses						
Salaries and employee benefits	679	691	14,870	5,788	22,028	21,226
Professional and special services	387	2,529	6,489	1,368	10,773	12,877
Repair and maintenance	-	712	57,935	40	58,687	61,050
Amortization	-	-	12,100	-	12,100	11,043
Utilities, materials and supplies	-	-	6,260	213	6,473	7,344
Accommodation	-	-	3,809	739	4,548	4,767
Travel and relocation	34	78	538	217	867	750
Communication	-	-	24	11	35	27
Advertising, printing and related services	-	-	24	4	28	13
Equipment and other rentals	-	-	74	31	105	121
Other services	-	-	1,310	250	1,560	1,515
Expenses related to tangible assets	-	(24)	166	989	1,131	468
Bad debts	-	-	58	-	58	(499)
Other expenses	-	3	16	1	20	13
Total operating expenses	1,100	3,989	103,673	9,651	118,413	120,715
Revenues						
Shelter charges	-	-	97,975	-	97,975	95,593
Miscellaneous revenues	-	-	5,768	-	5,768	6,522
Total revenues	-	-	103,743	-	103,743	102,115
Net cost of operations	1,100	3,989	(70)	9,651	14,670	18,600

(1) 6.4.1: Strategic Housing Portfolio Planning

(2) 6.4.2: Real Property Housing Programs

(3) 6.4.3: Housing Operations and Customer Services Programs

(4) 6.4.4: Military Housing Program Support, Control and Coordination

11. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

7. Department of National Defence housing locations



Regional Reporting Structure Location and Number of Units

Pacific and Western

- 1 COLD LAKE 703
- 2 COMOX 251
- 3 EDMONTON 504
- 4 Iqaluit 3
- 5 Yellowknife 94
- 6 ESQUIMALT 709
- 7 Masset 7
- 8 MOOSE JAW 173
- 9 Dundurn 28
- 10 SHILO 637
- 11 SUFFIELD 175
- 12 WAINWRIGHT 185
- 13 WINNIPEG 509

Central

- 14 BORDEN 663
- 15 KINGSTON 471
- 16 OTTAWA 145
- 17 NORTH BAY 182
- 18 PETAWAWA 1640
- 19 TRENTON 548

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

Contact us

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

Telephone: 1-888-459-CFHA (2342)

Email: cfha-afc@forces.gc.ca

Follow us on Twitter: [@CFHA_ALFC](https://twitter.com/CFHA_ALFC)