



# CANADIAN FORCES HOUSING AGENCY

## ANNUAL REPORT 2021-2022



National  
Defence

Défense  
nationale

Canada 



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# 1. The year in review from the Chief Executive Officer

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The Canadian Forces Housing Agency (CFHA), a Special Operating Agency (SOA), provides residential accommodation solutions for Canadian Armed Forces (CAF) members and their families since 1996.

During Fiscal Year (FY) 2021-2022, CFHA faced many challenges in sustaining operations within the ever-changing pandemic environment. Thanks to the dedication and professionalism of the CFHA staff, the Agency continued to demonstrate its resilience, high level of adaptability and agility as it delivered housing services to roughly 26,000 CAF members and their families, in 11,654 Residential Housing Units (RHUs) across 27 bases and wings in Canada.

Despite the challenges of operating in an ongoing pandemic-posture, CFHA continued to deliver on its mandate during the past year and maintained its level of excellence as an organization by promoting a culture of continuous improvement, modernizing business practices and leveraging the latest tools and technologies for employees, applicants and occupants.

Major strides have been made in the development of key products to promote the digital customer service experience. Four online forms were officially launched in March 2022, prior to the active posting season (APS). Included in the new Services to Occupants section on our web page is the Application for DND Housing form, Notice of Extended Absence form, Changes to Household Information Update Request form and the Repair Request form. These can now be completed and submitted online from anywhere to increase accessibility and enhance the customer experience. A Digital Welcome Kit, which consists of general and site-specific important information, was developed and is provided to all new occupants upon moving into an RHU. This digital package was developed to ensure a consistent occupant experience at all sites across Canada and was implemented for APS 2021, replacing the paper packages previously provided.

Momentum in the recently launched Mobile Workplace project was regained, and all our Housing Service Centers were onboarded in FY 2021-2022. Implementing our electronic directory structure to mirror existing paper files and collaboration through digital access are key elements of the Mobile Workplace. Presentations and Standard Operating procedures have been fine-tuned to provide the tools, knowledge and support to the Agency's customer service and technical staff. CFHA's greatest strength is having an engaged and a well-equipped workforce to deliver on the national Military Family Housing Program, in support of Canada's Defence Policy: Strong, Secured, Engaged.

In FY 2021-2022, the Department of National Defence (DND) allocated \$40M/year in-year capital funds, which enabled CFHA to invest over \$125M in the residential housing portfolio and housing services, completing construction projects, including 119 recapitalized RHUs, and over a thousand renovations and lifecycle repairs.

In spite of these efforts, due to the ever evolving condition of an aged portfolio, the number of RHUs in 'below average' condition increased slightly from 2021 to 2022, going from 1957 to 2148 RHUs as implementation of lifecycle work on RHUs continued to prove challenging in 2022 due to supply chain disruptions, consumer price index increases, as well as contractor and material availability.

In support of the Government of Canada's (GoC) Greening Government Strategy, much of the work completed contributed to energy efficiency upgrades. CFHA continued its partnership with NRCan to benchmark the energy use and Greenhouse Gas emissions of the housing portfolio, as well as to support the GoC's 2 Billion Trees initiative by signing a Memorandum of Understanding to plant a total of 14,450 trees at all of CFHA's sites across Canada over 7 years. In addition, net-zero carbon ready building designs were started. In collaboration with Defence Construction Canada (DCC) and CFHA at the site or regional level, Indigenous benefits were realized primarily through the implementation of voluntary set-asides under the Procurement Strategy for Indigenous Business (PSIB). In FY 2021-2022, 4.9% of contracts for these activities were awarded to Indigenous businesses, which surpasses the target of 3%.

CFHA remains committed to delivering the Military Family Housing Program to meet departmental requirements, to exercising diligent stewardship of its resources including the housing assets, and to continuing to improve operations and services to meet the ever-evolving needs of the CAF and its members.



Paola Zurro  
Chief Executive Officer  
Canadian Forces Housing Agency

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## 2. About the Agency

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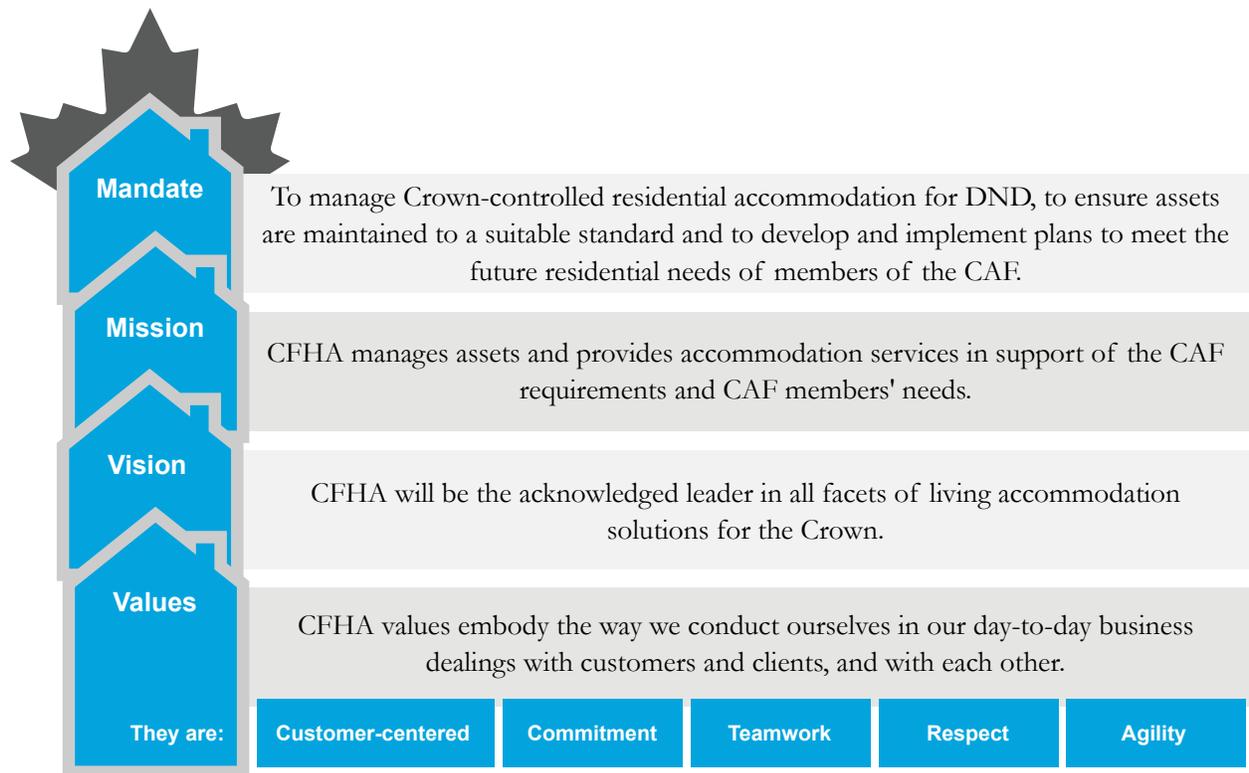
### Military Housing Overview

#### Canadian Forces Housing Agency

CFHA is a Special Operating Agency (SOA) established in 1995 to deliver DND's Military Family Housing Program. The Agency operates entirely within DND with authorities similar to a Level 1 granted under its Treasury Board approved SOA Charter.

CFHA is the Managing Authority for military housing. The Agency's strategic objectives and goals form the foundation for its operations. A set of core values guide CFHA personnel in their commitment to management and customer service excellence, and to the achievement of the Agency's Vision.

#### CFHA Mandate, Mission, Vision and Values



## 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 110
- 6 ESQUIMALT 709
- 7 Masset 6
- 8 MOOSE JAW 173
- 9 Dundurn 28
- 10 SHILO 637
- 11 SUFFIELD 175
- 12 WAINWRIGHT 185
- 13 WINNIPEG 474

### Central

- 14 BORDEN 675
- 15 KINGSTON 473
- 16 OTTAWA 145
- 17 NORTH BAY 182
- 18 PETAWAWA 1632
- 19 TRENTON 548

### Quebec and Eastern

- 20 BAGOTVILLE 358
- 21 GAGETOWN 1435
- 22 GOOSE BAY 231
- 23 GANDER 70
- 24 GREENWOOD 562
- 25 HALIFAX 485
- 26 MONTRÉAL 190
- 27 VALCARTIER 710



**27 locations**

**11,654 RHUs**



**40%**

**of buildings in DND's  
Real Property portfolio**

## **Military Family Housing Program**

The Military Family Housing Program exists to ensure suitable residential rental housing is available to CAF members when and where duty demands. The Program is a critical enabler for CAF operations, and it serves to provide members and their families with rental housing options to support military operational requirements and in locations where private sector housing is either not sufficiently available or suitable. Currently, more than 15% of eligible CAF members live in military housing. For those members, military housing not only offers close proximity to their work and local amenities, it also provides a supportive and safe community that promotes the quality of life of the members and their families. This is particularly important for new CAF members in their transition to military life.

CFHA maintains and operates military housing at 27 housing locations at CAF bases across Canada. The DND Crown-owned residential housing portfolio currently consists of 11,654 RHUs, which accounts for 40% of buildings in DND's Real Property portfolio.

Improving the overall condition and suitability of the DND residential housing portfolio continues to be the top priority for the Military Family Housing Program. The majority of the housing portfolio consists of three and four bedroom single and semi-detached houses constructed in the 1950s to 1960s.

## **Roles & Responsibilities**

CFHA is responsible for the delivery of the Military Family Housing Program in collaboration with its clients and stakeholders. In accordance with its mandate, the Agency's purpose is two-fold:

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**Support to the quality of life  
of CAF members and their  
families through the  
provision of housing services**

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and

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**Responsible and sustainable  
management of the  
Department's housing  
infrastructure**

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## 3. Results

### 3.1 Departmental Results Framework

The Policy on Results sets out the fundamental requirements for Canadian federal departmental accountability for performance information and evaluation, while highlighting the importance of results in management and expenditure decision making, as well as public reporting. The Departmental Results Framework (DRF) is the strategic view of Defence's mandate, displaying its Core Responsibilities and key performance information to frame the public conversation. It helps Canadians and parliamentarians understand what we do, what we seek to achieve, and how we will determine if we have achieved it. One of the indicators CFHA reports on is the number of Residential Housing Units (RHUs) that are in the 'Below Average' Condition Assessment category. This indicator measures the success of housing component life cycle replacements, disposals or recapitalization of older homes in improving the overall condition of the military housing portfolio.

The number of RHUs in 'below average' condition increased slightly from 2021 to 2022, going from 1957 to 2148 RHUs. As a result of the pandemic, condition assessment data collection and reporting requirements were periodically adjusted in year in accordance with public health measures. In order to minimize contact with occupants, interior access to residential housing units was reserved for essential work and critical repairs. In FY 2021-2022, the decreased amount of inspections may have impacted the ability to collect, update, and report on condition assessment data, as well as the completion of maintenance work and investment planning initiatives.

In addition to whole house renovations, bundled lifecycle work has the potential to change the overall condition of the military housing portfolio. Implementation of lifecycle work on RHUs proved challenging in FY 2021-2022 due to supply chain disruptions, which included challenges related to the pandemic environment, consumer price index increases, as well as contractor and material availability.



## Energy efficiency upgrades

**1010**  
furnaces and hot  
water tanks replaced

**716**  
roofs replaced

**317**  
air conditioners  
systems installed

**159**  
electrical upgrades

**288**  
exterior renovations  
completed

## 3.2 Canada's Defence Policy: Strong, Secure, Engaged

### 3.2.1 Improve Housing for CAF Personnel

Investments in the housing portfolio continued to enable the implementation of Canada's Defence Policy: Strong, Secure, Engaged (SSE), initiative 104B: Improve Housing for CAF Personnel.

FY 2021-2022 saw a program of lifecycle replacement and capital improvements that continued to align the portfolio to the needs of the CAF, including increased energy efficiency, improved condition and revitalized communities. Construction of new RHUs occurred in Comox and major projects were implemented in Halifax, Greenwood, Gagetown, Petawawa, Borden, Shilo, Wainwright and Cold Lake. CFHA operational activities ensured that RHUs were in good repair and neighbourhoods were well-maintained.

The CFHA investment program continues to develop in response to the operational requirement for housing, secured baseline funding (supporting multi-year planning), and increased pressures in the Canadian housing market.

#### In FY 2021-2022, CFHA invested over \$125M in the residential housing portfolio:

- 119 recapitalized RHUs
- 147 new kitchens
- 172 new bathrooms
- 425 new sheds and fences
- 256 steps and sidewalks replaced
- 115 new driveways
- 234 stair guards or harps replaced
- 93 interior renovations completed
- 2256 other projects

During FY 2021-2022, CFHA faced many challenges in sustaining operations within the ever-changing pandemic environment. The Agency continued to demonstrate its resilience, high level of adaptability and agility as it delivered housing services to roughly 26,000 CAF members and their families.

### 3.2.2 Reduce the Housing Portfolio's Greenhouse Gas Emissions

CFHA is working to align with the goals outlined in the Government of Canada's Greening Government Strategy. The agency is taking action to improve the housing portfolio's energy efficiency and reduce greenhouse gas emissions by integrating these goals into our maintenance, renovation, and new construction programs.

Achievements over the past year include:

- Working with Natural Resources Canada (NRCan) to:
  - Develop tree planting plans for three CFHA sites — Wainwright, AB, Dundurn, SK, and Moose Jaw, SK — as part of the Two Billion Trees Commitment; and
  - Benchmark the energy use and greenhouse gas (GHG) emissions of the Agency's housing portfolio.
- Completion of a net-zero feasibility assessment on existing CFHA 6- and 12-unit archetypes.
- Progressing on the design and development of net-zero carbon-ready building types representative of the Agency's portfolio;
- Beginning the process of incorporating net-zero carbon ready design and construction principles into the CFHA Design Standards and specifications; and,
- Digitizing our business processes with the Mobile Workplace initiative and the launch of Phase 1 of the Occupant portal and its online forms, as well as the distribution of the new Digital Welcome Kit.

### 3.2.3 Feature projects

#### **Kingston:**

In order to address the accessibility needs of a family with a child with special mobility needs, Housing Service Centre (HSC) Kingston built a special deck that provides wheelchair ramp access to the RHU. Not only is the family now able to access the rear of their RHU, they are now able to enjoy the warm, outside air together without going through a cumbersome and lengthy detour through the front entrance of their home.

#### **Gagetown:**

HSC Gagetown continued work on a project to remove old incandescent bulb light fixtures and replace them with new fixtures and LED bulbs. In FY 2021-2022, 93 RHUs received both LED basement and interior lights, 107 RHUs received Basement LED only, 103 RHUs received the interior LED only (LED in basements were already done in previous years). The plan is to have 100% of the incandescent lighting replaced in the next 3-4 years in Gagetown.

As 30% of the electricity produced in New Brunswick comes from fossil fuels (natural gas, coal, and petroleum), this project not only reduces electric bills of about \$200-250 per RHU annually for occupants, but also contributes to the environmental targets and goal to reduce greenhouse gas emissions.

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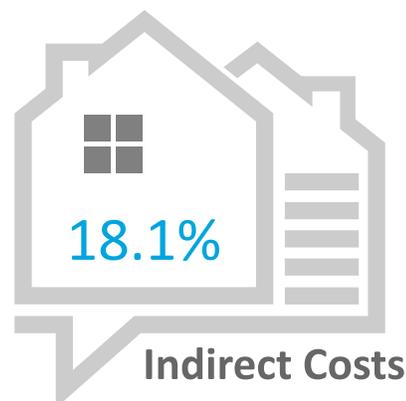
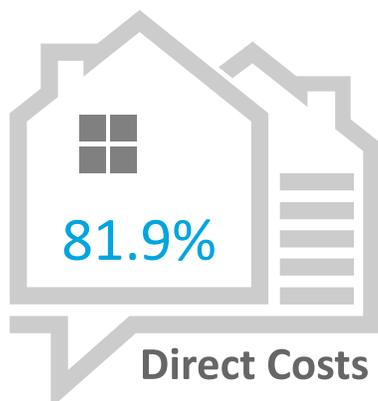
#### **Light Emitting Diode (LED) bulbs**

*LEDs are super-efficient light bulbs; they create a lot of light but use very little energy. ENERGY STAR® certified LEDs are up to 90% more efficient than incandescent bulbs, and they last at least 15 times longer. Certified LEDs also produce almost no heat and are resistant to vibration, which cuts cooling and replacement costs.*

Source: <https://www.nrcan.gc.ca/energy-efficiency/spotlight-energy-efficiency/2021/11/14/everything-led/23946>

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## 4. Distribution of funds



**33.3%** **Capital and Betterment**  
New construction and recapitalization, or work completed to improve an asset

**24.4%** **Life cycle and Maintenance**  
Activities that maintain the useful life of the asset or its components (e.g. roof replacement, siding replacement, furnace replacement)

**8.4%** **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)

**15.7%** **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

**0.1%** **Demolition**  
Activities related to the disposal of housing assets that are non-capital

**8.9%** **Operational Salaries**  
Salaries for Housing Services Centre personnel

**7%** **Corporate Salaries**  
Salaries for Head Office personnel

**1.7%** **Corporate Overhead**  
Lease and utilities, supplies, training, professional services, travel for Head Office employees, market studies, and strategic site plans

**0.5%** **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)

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## 5. Financial statements

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### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2022 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:



Paola Zurro  
Chief Executive Officer  
Canadian Forces Housing Agency



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

Date: 1 November 2022

## Statement of Financial Position (Unaudited)

As of March 31, 2022

(in thousands of dollars)	2022	2021
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	74,691	72,535
Vacation pay and compensatory leave	1,748	1,646
Employee future benefits (note 5)	754	953
<b>Total liabilities</b>	<b>77,193</b>	<b>75,134</b>
<b>Financial assets</b>		
Accounts receivable (note 6)	104	97
<b>Total financial assets</b>	<b>104</b>	<b>97</b>
<b>Net debt</b>	<b>77,089</b>	<b>75,037</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	500,592	465,827
<b>Total non-financial assets</b>	<b>500,592</b>	<b>465,827</b>
<b>Net financial position</b>	<b>423,503</b>	<b>390,790</b>

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



Paola Zurro  
Chief Executive Officer  
Canadian Forces Housing Agency



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

Date: 1 November 2022

# Statement of Operations and Net Financial Position (Unaudited)

For the year ended March 31, 2022

(in thousands of dollars)	2022 Planned Results*	2022	2021
<b>Expenses</b>			
Strategic Housing Portfolio Planning	1,077	802	1,169
Real Property Housing Programs	20,620	18,908	13,971
Housing Operations and Customer Services Programs	88,334	90,519	94,127
Military Housing Program Support, Control and Coordination	9,117	9,186	10,119
<b>Total expenses</b>	<b>119,148</b>	<b>119,415</b>	<b>119,386</b>
<b>Revenues</b>			
Shelter charges	98,648	99,197	97,699
Miscellaneous revenues	5,192	6,281	5,481
<b>Total revenues</b>	<b>103,840</b>	<b>105,478</b>	<b>103,180</b>
<b>Net cost of operations</b>	<b>15,308</b>	<b>13,937</b>	<b>16,206</b>
<b>Government funding and transfers</b>			
Net cash provided by government		44,401	16,789
Services provided without charge by other government departments (note 9)		2,249	2,352
<b>Net cost of operations after government funding and transfers</b>	<b>-</b>	<b>(32,713)</b>	<b>(2,935)</b>
Net financial position — beginning of year		390,790	387,855
<b>Net financial position — end of year</b>	<b>-</b>	<b>423,503</b>	<b>390,790</b>

Segmented information (note 10).

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

\*The planned results are the reported figures within the FY 2021-2022 Departmental Plan.

## Statement of Change in Net Debt (Unaudited)

For the year ended March 31, 2022

(in thousands of dollars)	2022	2021
<b>Net cost of operations after government funding and transfers</b>	<b>(32,713)</b>	<b>(2,935)</b>
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets (note 7)	50,468	40,262
Amortization of tangible capital assets (note 7)	(15,703)	(12,149)
Loss on disposals of tangible capital assets	-	(4)
<b>Total change due to tangible capital assets</b>	<b>34,765</b>	<b>28,109</b>
<b>Net increase (decrease) in net debt</b>	<b>2,052</b>	<b>25,174</b>
Net debt — beginning of year	75,037	49,863
<b>Net debt — end of year</b>	<b>77,089</b>	<b>75,037</b>

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

## Statement of Cash Flow (Unaudited)

For the year ended March 31, 2022

(in thousands of dollars)	2022	2021
<b>Operating activities</b>		
Net cost of operations	13,937	16,206
<b>Non-cash items</b>		
Amortization of tangible capital assets (note 7)	(15,703)	(12,149)
Loss on disposals of tangible capital assets	-	(4)
Services provided without charge by other government departments (note 9)	(2,249)	(2,352)
<b>Variations in Statement of Financial Position</b>		
Increase (decrease) in accounts receivable	7	(19)
Decrease (increase) in accounts payable and accrued liabilities	(2,156)	(24,676)
(Increase) decrease in vacation pay and compensatory leave	(102)	(446)
(Increase) decrease in employee future benefits	199	(33)
<b>Cash used by operating activities</b>	<b>(6,067)</b>	<b>(23,473)</b>
<b>Capital investment activities</b>		
Acquisitions of tangible capital assets (note 7)	50,468	40,262
<b>Cash used by capital investment activities</b>	<b>50,468</b>	<b>40,262</b>
<b>Net cash provided by Government of Canada</b>	<b>44,401</b>	<b>16,789</b>

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.

Effective fiscal year 2021-2022, the Agency implemented a new Departmental Results Framework (DRF) segment to better represent its operations. The new segment titled "Revenues" includes all revenues generated from shelter charges and miscellaneous recoveries. With the addition of this new segment, the Agency's Departmental Results Framework (DRF) is now composed of five core responsibilities.

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 housing real property 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 includes 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, IT services and infrastructure, governance, performance measurement, reporting relationship and partnership management and advice relating to DND and CAF housing.

***(e) Revenues—DRF 6.4.5***

Rental revenues generated from shelter charges for residential housing units and miscellaneous recoveries including recoveries for damages.

## **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-responsible 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
Vehicles	6 years

***(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)	2022	2021
<b>Net cost of operations before government funding and transfers</b>	<b>13,937</b>	<b>16,206</b>
<b>Adjustments for items affecting net cost of operations but not affecting authorities:</b>		
Amortization of tangible capital assets (note 7)	(15,703)	(12,149)
Loss on disposals of tangible capital assets	-	(4)
Services provided without charge by other government departments (note 9)	(2,249)	(2,352)
(Increase) decrease in employee future benefits	199	(33)
(Increase) decrease in vacation pay and compensatory leave	(102)	(446)
Adjustments to previous year's accounts payable	(283)	(35)
Other	25	35
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(18,113)</b>	<b>(14,984)</b>
<b>Adjustments for items not affecting net cost of operations but affecting authorities:</b>		
Acquisition of tangible capital assets (note 7)	50,468	40,262
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>50,468</b>	<b>40,262</b>
<b>Current year authorities used</b>	<b>46,292</b>	<b>41,484</b>

#### (b) Authorities provided and used

(in thousands of dollars)	2022	2021
<b>Net cash provided by government</b>	<b>44,401</b>	<b>16,789</b>
<b>Revenue not available for spending</b>		
<b>Change in net position in the consolidated revenue fund</b>		
(Increase) decrease in accounts receivable	(7)	19
(Decrease) increase in accounts payable, accrued liabilities	2,156	24,676
Adjustments to previous year's accounts payable	(283)	(35)
Other adjustments	25	35
<b>Current year authorities used</b>	<b>46,292</b>	<b>41,484</b>

#### 4. Accounts payable and accrued liabilities

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

(in thousands of dollars)	2022	2021
Accounts payable—other government departments and agencies	4,568	3,819
Accounts payable—external parties	67,484	65,656
<b>Total accounts payable</b>	<b>72,052</b>	<b>69,475</b>
Remediation liabilities	642	517
Other liabilities	1,997	2,543
<b>Total accounts payable and accrued liabilities</b>	<b>74,691</b>	<b>72,535</b>

## 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 FY 2021-2022 expense amounts to \$2,225 thousand (\$2,449 thousand in FY 2020-2021). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in FY 2020-2021) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in FY 2020-2021) 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)	2022	2021
<b>Pension expenses</b>	<b>2,225</b>	<b>2,449</b>

### 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 (completed by 2012). 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.

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

(in thousands of dollars)	2022	2021
<b>Accrued benefit obligation—beginning of year</b>	<b>953</b>	<b>919</b>
Expenses for the year	(177)	231
Benefits paid during the year	(22)	(197)
<b>Accrued benefit obligation—end of year</b>	<b>754</b>	<b>953</b>

## 6. Accounts receivable

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

(in thousands of dollars)	2022	2021
Receivables—External parties	316	279
Receivables—Other government departments and agencies	(6)	17
<b>Subtotal</b>	<b>310</b>	<b>296</b>
Less: allowance for doubtful accounts on receivables from external parties	(206)	(199)
<b>Net Receivables</b>	<b>104</b>	<b>97</b>

## 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
<b>Buildings and works</b>					
Residential houses	311,328	-	87,460	-	398,788
Work in progress	257,310	-	(36,992)	-	220,318
<b>Vehicles</b>	441	-	-	-	441
<b>Gross tangible capital assets</b>	<b>569,079</b>	<b>-</b>	<b>50,468</b>	<b>-</b>	<b>619,547</b>

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
<b>Buildings and works</b>					
Residential houses	103,250	-	15,630	-	118,880
Work in progress	-	-	-	-	-
<b>Vehicles</b>	2	-	73	-	75
<b>Total</b>	<b>103,252</b>	<b>-</b>	<b>15,703</b>	<b>-</b>	<b>118,955</b>

### Net Book Value

(in thousands of dollars)	2022	2021
<b>Buildings and works</b>		
Residential houses	279,908	208,078
Work in progress	220,318	257,310
<b>Vehicles</b>	366	439
<b>Total</b>	<b>500,592</b>	<b>465,827</b>

Amortization expenses for the year ended March 31, 2022 is \$15.703 million (FY 2020-2021 - \$12.14 million).

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)	2022-23	2023-24	2024-25	2025-26	2026-27 and thereafter	Total
Projects	61,807	8,064	8,064	-	-	77,935
Operating lease	5,332	675	684	692	935	8,318
<b>Total</b>	<b>67,139</b>	<b>8,739</b>	<b>8,748</b>	<b>692</b>	<b>935</b>	<b>86,253</b>

## 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)	2022	2021
Employer's contributions to the health and dental insurance plans paid by Treasury Board Secretariat	2,249	2,352
<b>Total</b>	<b>2,249</b>	<b>2,352</b>

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)	2022	2021
Accounts payable to other government department and agencies	4,568	3,819

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)	6.4.5 (5)	2022	2021
<b>Operating expenses</b>							
Salaries and employee benefits	548	682	16,366	6,542	-	24,138	27,954
Professional and special services	253	425	6,159	586	-	7,423	7,769
Repair and maintenance	-	2,096	54,828	13	-	56,937	56,728
Amortization	-	15,703	-	-	-	15,703	12,148
Utilities, materials and supplies	-	-	6,896	276	-	7,172	6,709
Accommodation	-	-	4,291	659	-	4,950	4,742
Travel and relocation	1	-	117	122	-	240	151
Communication	-	-	25	66	-	91	45
Advertising, printing and related services	-	-	11	4	-	15	12
Equipment and other rentals	-	-	62	13	-	75	90
Other services	-	-	1,630	252	-	1,882	1,430
Expenses related to tangible assets	-	-	111	653	-	764	1,569
Loss on disposals of tangible capital assets	-	-	-	-	-	-	4
Bad debts	-	-	7	-	-	7	28
Other expenses	-	2	16	-	-	18	7
<b>Total operating expenses</b>	<b>802</b>	<b>18,908</b>	<b>90,519</b>	<b>9,186</b>	<b>-</b>	<b>119,415</b>	<b>119,386</b>
<b>Revenues</b>							
Shelter charges	-	-	-	-	99,197	99,197	97,699
Miscellaneous revenues	-	-	-	-	6,281	6,281	5,481
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,478</b>	<b>105,478</b>	<b>103,180</b>
<b>Net cost of operations</b>	<b>802</b>	<b>18,908</b>	<b>90,519</b>	<b>9,186</b>	<b>(105,478)</b>	<b>13,937</b>	<b>16,206</b>

(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

(5) 6.4.5: Revenues

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