



National Defence

Défense nationale

Canadian Forces
Housing Agency

Agence de logement
des Forces canadiennes



IMPROVING
— THE —
FOUNDATION
— OF —
MILITARY
COMMUNITIES





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MESSAGE
— FROM THE —
ASSISTANT
DEPUTY MINISTER
INFRASTRUCTURE
— AND —
ENVIRONMENT

I FEEL PRIVILEGED TO HAVE THE OPPORTUNITY TO RECOGNIZE, THROUGH THIS ANNUAL REPORT, THE SIGNIFICANT CONTRIBUTION MADE BY THE CFHA AND ITS CAPABLE AND DEVOTED WORKFORCE TO THE QUALITY OF LIFE AND WELL-BEING OF CAF FAMILIES LIVING IN DND HOUSING ACROSS CANADA.

The year 2012-2013 has been a year of change across the department and a demanding year of transition for most in the IE Group. Throughout the year, we looked for ways to restructure ourselves and optimize resources associated with Real Property management and service delivery. The 2012 Economic Action Plan asked all Federal organizations to rigorously assess what they do and how they do it in order to find ways to become more efficient and effective and that is exactly what we did. Under the strong leadership of Dominique Francoeur, CFHA's CEO, the Agency did its part and rose to the challenge. Not only did CFHA manage to streamline its workforce but it did so while surpassing its investment targets for the year, consequently improving the overall condition of DND's housing portfolio, and solidifying its internal processes and customer service program to improve services to families and members living in CAF housing.

It would be hard for me to ask for more from CFHA, as the managing authority for more than half of the 20 thousand buildings in DND's portfolio, without first providing them with the right conditions and tools to deliver more. That is why

I contracted the services of an external consulting firm to conduct a housing service delivery options analysis. The completed analysis and resulting report will provide recommendations to DND to progress towards an all-encompassing solution that will ensure adequate and sustainable housing for CAF members and their families. This will set the stage for departmental consultation, further analysis for implementation and most of all set up the future of DND housing service delivery for success. I know that in this next endeavour, I can count, as always, on the collaboration and support of all our partners both internal and external to DND.

Finally, I would like to express my sincere appreciation to the CFHA team for their amazing output again this year. They have seen thousands of CAF members and their families through move-in and move-out of DND homes, managed more than 30 million dollars worth of maintenance and repairs and twice as much in upgrades and new construction. I speak on behalf of the entire DND and CAF community when I say that without you, the quality of life of our military members and families would suffer. We are grateful for your expertise and continued support.



SCOTT STEVENSON
Assistant Deputy Minister
Infrastructure and
Environment



**DOMINIQUE
FRANCOEUR**
Chief Executive Officer
Canadian Forces Housing
Agency

THE YEAR — IN — REVIEW — FROM — CFHA'S CHIEF EXECUTIVE OFFICER

TO SAY THAT 2012-2013 HAS BEEN A BUSY YEAR WOULD BE AN UNDERSTATEMENT, GIVEN THE IMPORTANCE AND SCALE OF OUR ACCOMPLISHMENTS AND THE CIRCUMSTANCES UNDER WHICH THEY WERE ACHIEVED. THINKING BACK ON THE ADM'S COMMENTS ON GOVERNMENT-WIDE INITIATIVES, I CAN ONLY FEEL PRIDE AND APPRECIATION AS I TAKE ON THE CHALLENGE OF SUMMARIZING ALL THAT WE DID IN ONLY A FEW SHORT WORDS.

Thanks to all the great work done in 2012-2013, more than 230 CAF families now live in brand new or completely redone homes. But we did not stop there. As if managing over 91 million dollars worth of projects and repair work was not enough, CFHA also did more than its part to increase efficiency and ensure lean management across the Agency. Implementing a formal corporate approach to process improvement and concluding an organizational realignment on top of the delivery of our operations was no small feat. The structural changes led to a seven percent staff reduction across CFHA. Thankfully, through voluntary departures, we were able to mitigate this difficult situation, originally affecting nearly 15 percent of employees, and reduce its adverse effect on staff.

Our ADM touched on the ongoing departmental changes for realignment, organisational improvements and in the end increased efficiency. Such changes can sometimes be unnerving but fortunately, this was nothing new to CFHA. In the fall of 2012, we continued on our path towards

excellence by transitioning to Excellence Canada's new Excellence, Innovation and Wellness Standard. The standard is a collection of best practices inspired by successful organizations from around the world and transformed into something uniquely Canadian. It is robust and provides a strategic umbrella for continuous improvement and doing the right things first. An initial self-assessment completed in March 2013 guides the next steps in our excellence journey. Though we faced challenges, we have had much to celebrate along the way! The feedback received from both our customers and employees through our website, surveys, working groups, committees and other forums enabled us to prioritize the areas on which to focus our next improvement efforts and resources.

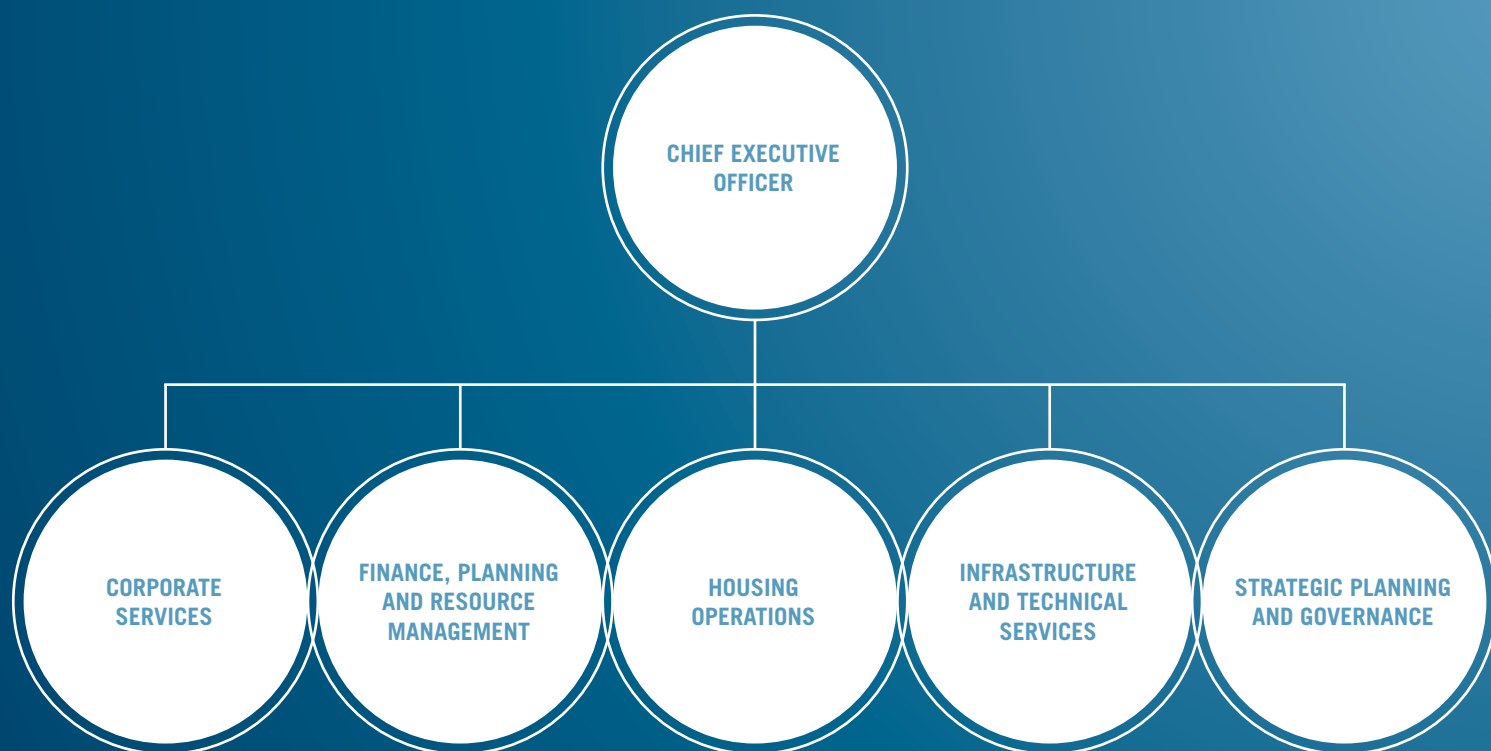
This brings me back to the process improvements initiated in 2012-2013 and still ongoing. It was exciting for me to see my Management Committee approve the changes proposed to the way we do things as a result of extensive review and consultation both internal and external to the Agency. The resulting modifications, previously endorsed by the Process Review Board which met regularly since August 2012, are designed to help us improve consistency in how we operate across Canada, reduce ambiguity and achieve greater efficiency in our interaction with customers and internally. This will ultimately benefit CAF families residing in DND housing.

Lastly, I wish to extend my appreciation to many. To my leadership team, thank you for enabling our efforts and for the trust placed in CFHA. To my colleagues and their staff, your cooperation was instrumental to CFHA's many successes, it is greatly appreciated. To the best staff a CEO could ask for, I am grateful to you all for your flexibility, hard work and most of all your unsurpassed dedication. Delivering housing services to CAF families and managing an aging housing portfolio can be challenging at times. As I have come to realize and as so many of you have shared with me in the past, the feeling of accomplishment gained from knowing that your contribution helped ease families transition is like no other. You are all passionate skilled professionals that are truly making a difference. Please remember this humble praise as we position ourselves to respond to tomorrow's demands.

PROFILE

CFHA IS THE MANAGING AUTHORITY OF THE DND RESIDENTIAL HOUSING PORTFOLIO. As a result, it makes a significant contribution to the quality of life of CAF members and their families. Specifically, it is responsible for the allocation and maintenance of more than 12,000 Crown-owned housing units spread across 33 locations in Canada, as well as the provision of customer services to all their occupants. In conjunction with the Base and Wing commanders, the Agency is also responsible for the long term strategic planning and development of the portfolio to meet the evolving needs of the CAF and their families. CFHA accomplishes these goals with fewer than 280 employees spread out amongst HSCs and satellite sites.

ORGANIZATIONAL STRUCTURE



— OUR — MANDATE

To manage Crown-controlled residential accommodation for DND, to ensure assets are maintained to a suitable standard and to develop and implement plans to meet the future residential needs of members of the CAF.

— OUR — MISSION

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

— OUR — VISION

CFHA excels in providing the CAF with wide-ranging innovative accommodation solutions.

— OUR — VALUES

CUSTOMER-CENTERED

CFHA recognizes that every employee is responsible for customer service. This means anticipating and understanding customer needs; and delivering dependable, courteous and responsive customer services to address those needs.

COMMITMENT

CFHA is committed to creating a culture where employee involvement and engagement are valued, discussed, shared and lived. All employees seek and accept responsibility and strive for the achievement of our vision of excellence as a reliable provider of housing services.

TEAMWORK

CFHA supports teamwork with a commitment to information sharing in a collaborative environment; and communicating knowledge and experience. Agency employees are encouraged to work together to create optimal results. Management encourages effort while recognizing and celebrating success.

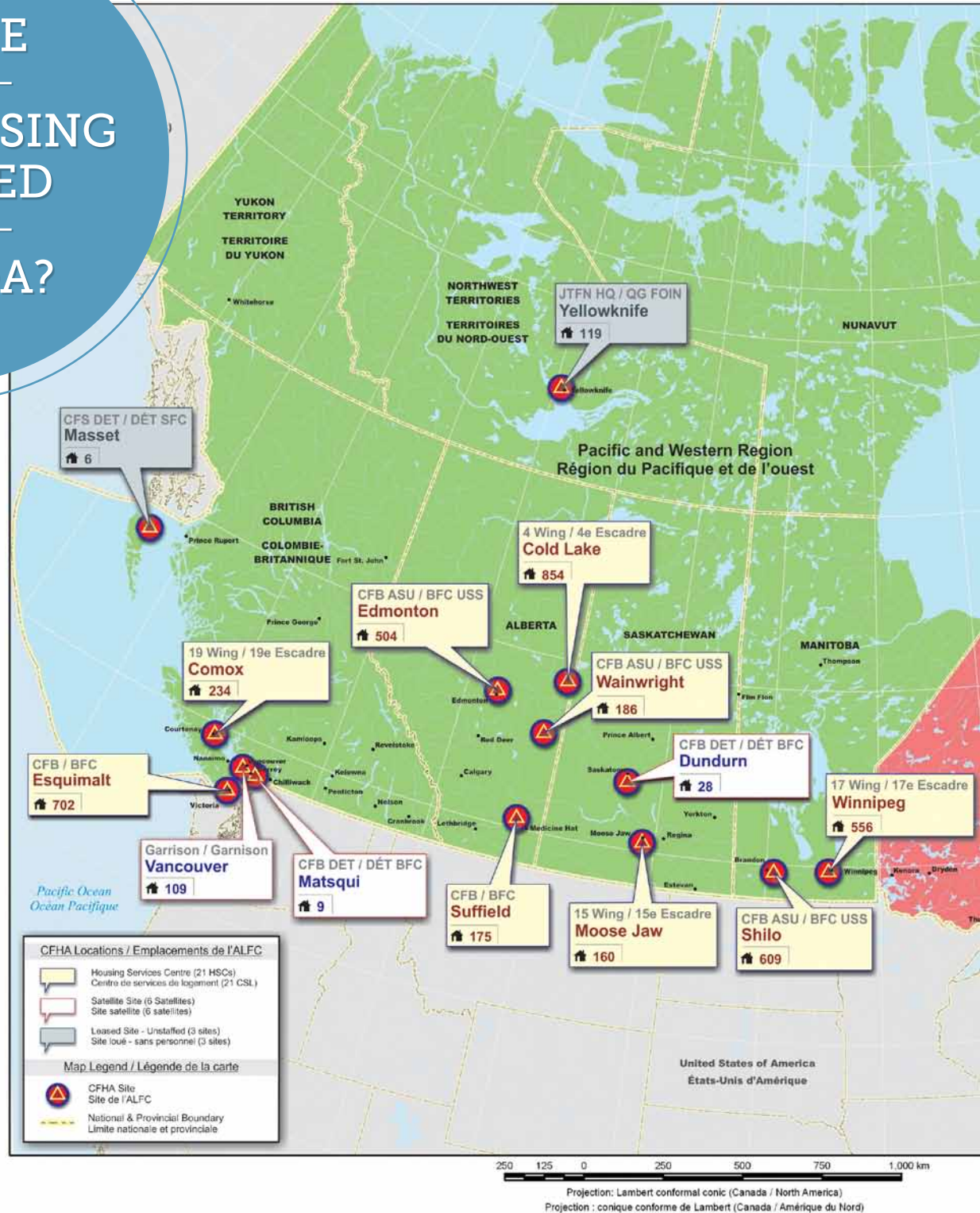
RESPECT

CFHA is committed to demonstrating fairness and accountability in every action. We treat all others with care, honesty, fairness and importance. We provide exemplary management and stewardship of Agency assets.

— OUR — STRATEGIC OBJECTIVES

- To provide excellent services to our customers and clients
- To be the *agent of excellence* in the provision of residential housing for the CAF
- To foster a vibrant, competent workforce in a healthy workplace
- To excel in our sound management practices and stewardship of resources

WHERE — IS — DND HOUSING LOCATED — IN — CANADA?





Data Sources / Sources de données:

- National Atlas (NRCAN)
- Geobase (NRCAN)
- National Topographic Database (NRCAN)
- Department of National Defence
- Atlas national (RNCAN)
- Géobase (RNCAN)
- Base nationale de données topographiques (RNCAN)
- Ministère de la Défense nationale

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SHARING CFHA'S
ACCOMPLISHMENTS
IN 2012-2013
—



— OUR —
CAPABLE STAFF:
THE KEY
— TO —
CUSTOMER
SATISFACTION

“I LIVED WITH MY FAMILY IN DND HOUSING IN ESQUIMALT, NEAR VICTORIA, BC FROM 2011 TO 2013 AND WE WERE RECENTLY TRANSFERRED TO TRENTON. There again, we opted for DND housing on base. [...] The house in Victoria was older but it fit our needs just fine. The one in Trenton is even better. It is located close to my work and has been completely renovated; it is really beautiful. It also allows me to bike to work, which is a huge advantage for us. When we moved in, the house was clean and in good condition. So far, the services offered by the CFHA staff in Trenton have been extraordinary; the people are very friendly. A problem is addressed just as it is reported. Follow up with customers is excellent; work is done quickly and staff verifies that it has been done satisfactorily. What more could we ask for? Our experience with the Housing Agency is very positive!”

CORPORAL
CHRISTOPHER BALAYER
A satisfied customer



At CFHA, the entire staff is devoted to providing the best housing services possible to CAF members and their families. DND and the CAF acknowledge the challenges that come with managing an aging housing portfolio with several of its units often in need of repairs. The one true element within CFHA's control is the quality of the services it provides and the entire team is striving for excellence, determined to improve its services.

As an example, in FY 2012-2013, CFHA's Customer Service Program standardized its training and sought expertise in that field to ensure that staff was being trained by the best. Courses such as the *Service Excellence for Colleagues* and *Service Excellence for Citizens* offered by the Canada School of Public Service or *Putting Citizens First* and *Putting Colleagues First* offered by Service Canada were added to CFHA's curriculum and close to a third of employees have completed one of these courses to date. Given that customer service is recognized by CFHA as its top priority, these courses will continue to be offered until all staff have been trained in service excellence to further enhance the *customer-centered culture* throughout CFHA – one of the Agency's core organisational values.

In addition to the implementation of the customer service training program, CFHA started working towards the standardization of its customer service experience across the Agency so that CAF families know that they can expect the same high quality standard of services at all Housing Services Centres. Customers can expect that their interactions with CFHA staff will reflect the same degree of courtesy and professionalism, regardless of location, as stated in the customer service pledges which have been prominently displayed at all HSCs since 2012 and as expressed in CFHA's value statements.

A web-based customer feedback mechanism was also introduced at the end of the fiscal year to assist the Agency in its quest for continuous improvement. Additionally, CFHA customers can escalate any unresolved issues via the Customer Complaint Resolution Process, which is explained in detail on the Agency's Website at www.cfha-alfc.forces.gc.ca under the *Customer Service* section.

As well as clearly communicating its commitment to CAF families, CFHA also released in 2012-2013 a new *Licence to Occupy* and an *Occupant Handbook*. The licence outlines the terms and conditions that both the occupant and CFHA will abide by for the duration of the stay. The handbook identifies key conditions regarding occupancy and is a helpful guide that provides customers with information and contact details on the range of support services available to them. Both documents were implemented nation-wide to address the ambiguities of the previous *conditions of occupancy* and are available on CFHA's Website.

A review of CFHA's priority business processes was initiated last year. The list of highest priorities included: *how DND housing is allocated, moving in and moving out*; the three processes that most directly impact customers. The aim of the process management activities is for both national standardization and improved efficiencies, thereby increasing both customer and employee satisfaction. These processes represent approximately 12,000 transactions each year and are by far the most time-consuming tasks performed by CFHA personnel. The documented process maps and follow-on directives and guidelines, to be introduced in 2013-2014, were created in consultation with field experts and subject matter authorities. This work will undoubtedly translate into greater effectiveness and savings.

The implementation of improved processes, along with any resulting efficiency gains, will be verified and evaluated through various means, including cyclical multifunctional reviews, where employees are engaged and provided opportunities to raise concerns, share ideas and suggest better ways of doing things.



BONNIE STRANG
Customer Service
Representative – HSC
Cold Lake

“I TRY TO DO EVERYTHING I CAN TO HELP MILITARY FAMILIES TRANSITION: I SEND PHOTOS IN ADVANCE IN AN EMAIL SO THEY CAN SEE THE HOUSES WE HAVE FOR THEM. I offer a measuring tape when they visit to help them with room and window sizing. It is so much better when you can cover your windows quickly after you move in or when you know where the furniture will go when the movers show up.

I always encourage people to give us their first, second and even third preference; to let us know what matters most to them. Is it a single unit above all, a three bedroom at least or a specific location no matter the number of rooms? Every time we do our best to accommodate families based on their preferences. [...] Most of all, I start fresh with every customer. It's easy to be jaded after dealing with someone cranky but every single customer deserves the best I can offer.”

SHARING CFHA'S
ACCOMPLISHMENTS
IN 2012-2013

"I HAVE BEEN WITH CFHA IN COLD LAKE FOR MORE THAN 10 YEARS AND I LOVE HELPING MILITARY FAMILIES. My goal is always to make them feel glad they are posted in the area and that can be a challenge. Many of them come from a 2000 square-foot house they owned to something smaller they rent for the same price or much more because of the cost of living around here. Just recently a customer that was travelling without his spouse to find a home for their family told me he thought his wife will be happy with the house we had for them. I could see the relief in his eyes. It's what helps me deal with the more difficult encounters we sometime have. When the customer is happy, it feels like a pat on the back. I am happy that they are happy, at peace and pleased. It is good to know that our house is now their home and not just a place where they are relocating for a couple of years."

BONNIE STRANG
Customer Service
Representative – HSC
Cold Lake



THE FACES — OF — CFHA: DEDICATED — AND — SKILLED SERVICE PROVIDERS

The feeling of accomplishment described by Bonnie is one that most people look for and even need in their professional lives to flourish and employees at CFHA are no exception. This is precisely why CFHA continued to work in 2012-2013 to fortify its already vibrant workforce through consultation, open dialogue, training, and improvement of the work environment in which employees operate. The relocation of the Gagetown and Wainwright HSCs to new office space is an example of projects completed in the past year to ensure that employees feel at ease in their work environment. The consistent lifecycle management of computer hardware and software, along with the availability of dedicated information technology services are also examples of what is done every year to ensure that employees are properly equipped to do their work. The well-being of staff is of the greatest importance to CFHA leadership.

The Agency's sustained commitment to employee professional development is also indicative of the importance attributed to employee well-being and workplace wellness. CFHA is proud to say that in 2012-2013, 100 percent of its permanent staff prepared a personal learning plan and were provided with a performance evaluation report to guide their progress. Additionally, greater emphasis is being placed on tracking the completion rate of planned developmental activities. To assist with the development of progressive or multi-year learning plans, the human resources section also created and published a helpful list of mandatory and recommended training for executives, managers,

supervisors and employees, as well as specialized training specific to certain functional fields. The funding made available for training and related travel is approximately four percent of CFHA's annual salary wage envelope. This is in addition to numerous courses available online through *DND Learn* and other means.

CFHA managers recognize that engaging staff, allowing them to grow and learn, and offering them a platform on which to share their knowledge and voice concerns or opinions helps boost job satisfaction, motivation and performance. This is why front line employees are involved at every opportunity in process improvement activities; their contributions to the eight processes reviewed and endorsed by CFHA's Process Review Board in 2012-2013 was invaluable.



“I FELT A SENSE OF ACCOMPLISHMENT WHEN I WAS ASKED TO TAKE PART IN THE ALLOCATIONS PROCESS REVIEW WORKING GROUP. It is nice to get recognized for your knowledge. It boosts your self esteem to know that the experience you spent many years building with customers is recognized. It felt good to be involved, I really enjoyed contributing and everyone was really engaged and open-minded. It felt even better knowing that my input, some of Petawawa’s best practices, will ensure that our customers will soon be able to go to any site across the country and can expect the same process.”

JACKIE LIZOTTE
Chief Business Operations –
HSC Petawawa

Through the implementation of an agency-wide healthy workplace survey in the fall of 2012, CFHA was able to confirm with employees their level of satisfaction and areas of concern. The results of the survey, in which more than two thirds of employees took part, were compiled and analysed promptly. From there, areas for improvement were captured, prioritized, and turned onto a list of action items for management. That list and the full results of the survey were shared with employees through various means, including CFHA’s internal website, the Employee Corner. The improvement items were also integrated into the list of action items derived from the 2011 Public Service Employee Survey. Employees at all levels were invited to share ideas on how to address the action items and to raise questions or concerns.

Finally, CFHA believes that hard work should not go unnoticed. Recognition takes many forms at CFHA thanks to an extensive Awards and Recognition Program.



“THE 2012 CEO AGENT OF EXCELLENCE AWARD WAS PRESENTED TO LAURA CLOWATER-PETERS, MANAGER OF THE GAGETOWN HSC WHO HAD A TREMENDOUSLY BUSY YEAR IN THE SPOTLIGHT.

Laura was recognized for the extensive coordination and collaboration with Defence Construction Canada, CFHA Head Office and local base leadership and support staff to ensure that through the entire construction and subsequent move to the new site office, housing services would be provided without interruption. She also assured the consistent delivery of the housing improvement programs to very high standards while managing CFHA's second biggest housing site in Canada, a site that received widespread attention generated by complex and sensitive files related to housing conditions. Laura's handling of communications with stakeholders, the media and dissatisfied customers while effecting repairs to the units and meeting corporate demands and constraints was extraordinary and in itself worthy of the CEO Award of Excellence.

The Award committee unanimously supported this nomination. Everyone was glad her regional manager took the time to prepare this particular submission.”

**MONIQUE
BRUNET-SAVARD**
Human Resources Programs
Officer – Head Office

The Awards and Recognition Program was revised in 2012-2013 to introduce a new internal customer service award that recognizes excellence in the provision of services to peers that are consistently timely and fair, feature partnering or team work and go beyond expectations. The inaugural winner of this prize was the Client Services Information Management Team.

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SHARING CFHA'S
ACCOMPLISHMENTS
IN 2012-2013
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THE RIGHT IMPROVEMENTS, — AT THE — RIGHT PLACE, — AT THE — RIGHT TIME

"IT IS CRUCIAL TO KEEP RECORD OF THE MAINTENANCE, LIFECYCLE AND UPGRADE WORK DONE TO OUR MANAGED ASSET. This aspect of the work is perhaps not as attractive as the project implementation but it is as important as the planning and oversight functions of the work itself. Without an accurate snapshot of the portfolio condition, the likelihood of resources being assigned to the wrong area increases. This is precisely why I enjoy connecting with sites to communicate, educate, and in some cases undertake inspections in support of condition assessment. The insight gained through monitoring the assets under CFHA management ensures that planned improvement and maintenance work target the right place at the right time. [...] Throughout it all, the aim is always to keep the largest numbers of houses safe, available and attractive to CAF families."

CHRIS WAGNER
Technical Services Officer –
Head Office



Since its creation in 1996, CFHA has been managing DND's housing portfolio containing today over 12,000 homes spread over 33 locations across the country. From the onset, the revenue-funded Agency has been doing its best to maintain and revamp an aging portfolio. Bringing housing mostly built in the mid 50's closer to contemporary standards is a tricky task while maximizing the availability of housing units to tend to the residential needs of CAF families.

Keeping units available for customers versus available for major renovations or repairs and upgrades to keep them safe and habitable is a constant balancing act for CFHA. This gets even more challenging when taking into account the availability of local contractors to perform the work.

In FY 2012-2013, CFHA generated just above 96 million dollars in revenue. This, combined with the capital funding provided by DND, led to more than 91 million dollars being injected in Crown housing. The remaining funds went towards housing operations, such as vacancy management, grass cutting and snow removal and much more, as well as Agency operating expenses. The investment into the portfolio resulted in 216 renovated and 16 newly constructed units – some of the Agency's most visible investments. These new and fully renovated units can sometimes outshine the larger impact of the multitude of smaller projects that steadily improve the portfolio. Investments to increase energy efficiency and air quality or to upgrade kitchens and bathrooms, roofing, windows, and doors all contribute to the betterment of DND housing and improvement to the quality of life of CAF families.

Changes in the units' condition over time allow CFHA to demonstrate the ongoing progress made in improving housing portfolio-wide. More importantly, the Agency uses the units' condition assessment as a tool to focus and prioritize its resources as well as forecast those areas requiring additional investment in the future.

Through the delivery of the housing program, consideration and consistent application of environmental laws, guidelines and procedures are always top of mind. The same holds true for Canada's Heritage Program as DND's portfolio accounts for 19 residences with a designated heritage status. Ultimately, CFHA wishes to reduce as much as possible the impact of its operations on today's environment. The application of initiatives such as the 3R approach (Reduce – Reuse – Recycle) to demolition projects, that consist of limiting the amount of construction material sent to landfills by recycling and reusing as much as possible is a prime example of CFHA's respect for the environment.



PAT LAIDLAW
Chief Technical Services –
HSC Kingston

“LAST YEAR IN KINGSTON WE COMPLETED EXTERIOR UPGRADES AND THANKS TO THOSE, THE NEIGHBOURHOOD LOOKS GREAT! Nearly one in four houses now has a new driveway, 75 units have a new porch, steps, sidewalk or walkway and 96 have a new vinyl shed secured on a cement base. The siding was replaced on 25 homes and two houses were completely renovated and now look and feel like brand new homes. In Kingston, we look forward to doing more for our customers!”

"I AM SO PLEASED THAT I GET TO HIGHLIGHT ALL THE GREAT WORK OUR TEAM DID LAST YEAR IN SUPPORT OF IMPROVING AND MAINTAINING THE HOUSING PORTFOLIO IN EDMONTON. Beyond the recurring tasks such as inspections on furnaces and hot water tanks as well as smoke and carbon monoxide detectors that get done annually on more than 500 units, we focused on adapting our portfolio to ensure that we are better equipped to meet the needs of growing CAF families. That is why we renovated 14 kitchens, to the great pleasure of the household chef. As well, we continued our progress on exterior retrofits so 29 of our units now have new windows and another 41 have new asphalt shingles on their roof. Our 88 row garages have a new roof and new siding and 19 basements are now insulated for greater heating efficiency. A lot of outdoor improvements were also done to various properties to improve the curb appeal and yard functionality. If you drive around in the neighbourhood you will see many new fences, sheds, steps and sidewalks as well as driveways. Even our trees are now freshly pruned. That is what we did in large part last year with the \$3.5 million dollars that was allocated to our housing site."

GILLES HARVEY
Chief Technical Services –
HSC Edmonton



"CFB BORDEN IS HOME TO SEVERAL MILITARY TRAINING ESTABLISHMENTS AND FOR THAT REASON, OUR CUSTOMER BASE TENDS TO BE MOSTLY YOUNG RECRUITS OR FAMILIES NEW TO THE MILITARY. Giving them the best possible service and housing is of great importance to make sure their impression of CFHA and DND housing is a good one. That is why, in FY 2012-2013, we replaced the furnace and air conditioning in 26 units and another 238 are newly equipped with air conditioning. The hot water tanks were also replaced in 33 homes. I am also proud to say that we invested more than \$550K in bathroom renovations, upgrading in total more than 85 units. Interior upgrades did not stop there! We also replaced the cabinets in 21 kitchens and the vinyl flooring in 121 units. Furthermore, we did not neglect the exterior of the properties under CFHA management: 64 units have a new roof, 67 new siding and 100 have new windows and doors. As well, the concrete steps and sidewalks were redone on 285 properties, 227 had their driveway repaved and a new shed was installed on 56 more, providing welcome additional storage to our occupants. There is more but I would rather show you than tell you. In short, more than \$7M was injected in the Borden portfolio during the course of last fiscal year. We look forward to sustaining this momentum as we continue to pursue our vision of providing housing excellence to our CAF families."

ANDRÉ GANDER
Chief Technical Services –
HSC Borden

RICHARD LAVERGNE
Technical Services Officer –
HSC Montreal

"THE HOUSING PORTFOLIO IN MONTREAL IS FAIRLY SMALL WITH FEWER THAN 200 HOUSES TO MANAGE. Last year however, despite our size, we were just as busy here as in the largest DND housing sites in Canada. In all, eight renovation projects were undertaken and completed in 2012-2013, improving more than 90 percent of our portfolio, and many of these projects will continue this year. First, the siding and insulation of 19 of our houses were replaced. We also replaced the doors and windows of 20 units and the asphalt roofing shingles of another 20. A dozen homes now feature new hardwood floors or ceramic and 22 other new interior doors. Twenty-five driveways have also been completely redone and finally, we purchased and installed air recovery heat exchangers in a quarter of our units. A crazy busy year but how rewarding and satisfying!"

“SO MUCH WAS DONE HERE IN GREENWOOD IN 2012-2013 THAT I DON’T KNOW WHERE TO START. I should first tell you that we take great pride in our housing portfolio at 14 Wing but it takes a great deal of effort to maintain it in such good condition. We feel blessed because we enjoy an amazing partnership with Wing staff and I am convinced that it is thanks to this great teamwork that we have had such success. What kind of success, you ask? The kind that puts a new roof on 62 units and new windows on 66 others; an additional 38 homes got both the windows and siding replaced making them look like new; the kind of success that also gets the exterior wood siding of 98 row houses completely repainted to give them too a fresher look or the kind that gives 10 families the pleasure of cooking in a brand new kitchen. Do you think we stopped there? No, we did not! More than a quarter of our customers now enjoy a freshly resurfaced or completely replaced asphalt driveway. We installed 71 new furnaces in our homes as well as 114 new oil storage tanks, 28 air conditioning units and 30 heat recovery ventilators. Is there anything we haven’t done you ask? The answer is no. We completely rewired 17 of our units, upgrading electrical switches and receptacles at the same time. We’ve replaced hardwood floors, baseboards and interior doors in 12 units. New siding and windows were also installed on 36 of our garages; another 26 have a new asphalt roof. Deteriorating sidewalks and steps on 31 units were redone and the handrails were also replaced. We even fixed or replaced 30 decks that needed care. All of this and more because we wish to provide the best possible homes to our CAF families. It is not every year that we will manage to invest more than \$3.4M in our housing. We sure made the best of it!”

WAYNE ELLIOTT
Chief Technical Services –
HSC Greenwood



“FY 12/13 WAS SUCH A SUCCESSFUL AND GRATIFYING YEAR FOR HSC ESQUIMALT; ONE THAT RESULTED IN MANY OCCUPANTS BEING VERY PLEASED ABOUT THE WORK COMPLETED TO THEIR PROPERTY. In all, more than \$2M was injected in the Esquimalt portfolio. Examples of that work include kitchen upgrades to 85 of our housing units that now proudly feature brand new cabinets and countertops. Some of those kitchens benefitted from more in-depth renovations that also included flooring and electrical fixtures replacement. Another 32 units are now equipped with a new tub with cultured marble surrounds. The roofs of 46 of our units were also replaced. We also tended to the Admiral’s residence this year, a designated heritage building of which the West Coast Navy is quite proud. Finally, the required annual maintenance and inspection on heating, ventilation and air conditioning units, chimneys, smoke alarms and detectors were also completed on every single unit to ensure the safety of all occupants. It was quite a year and we look forward to the next!”



DON TATTRIE
Manager – HSC Esquimalt

SHARING CFHA'S
ACCOMPLISHMENTS
IN 2012-2013

DOING THINGS CONSISTENTLY BETTER

"PERFORMANCE EXCELLENCE IS A BUZZWORD IN MANY ORGANISATIONS THESE DAYS, AND THIS INCLUDES ALL LEVELS OF GOVERNMENT. Canadians are looking for greater efficiencies and higher levels of performance from their government. Here at CFHA, we understand why that is; because every dollar saved is one more dollar that we can put back into our homes to improve our occupants' comfort and quality of life. That's what really counts to them, and that's precisely why the Agency embarked on an excellence journey in 2005. Our pursuit of excellence is leading us into a culture that values continuous improvement, innovation and operational excellence. After all, military families deserve the best that we can offer!"

CAROL ROBINSON
Strategic Advisor
(Organizational Excellence) –
Head Office



The Agency's quest for excellence and continuous improvement was motivated by a desire for efficiency and good value. It led to the initiation in FY 2011-2012 of a process management project to improve key processes. The first step to help anchor the project and position it for success was to establish a robust governance and control framework. A corporate approach was then developed to prioritize processes, identify process owners, document existing or new processes in a consistent manner, and find meaningful ways by which to improve them. The priority processes chosen to be addressed first were the ones with the greatest impact on customers and employees.

In FY 2012-2013, five process improvement working groups were formed and led by the respective process owners. They initiated the review of 12 of the many internal processes designed to manage DND's housing portfolio and to serve its customers. Both HSC and Head Office staff from all levels and functions contributed to the cross-consultative approach, to ensure that all perspectives were included. Eight of the documented processes, and any recommendations for improvement, were first endorsed by the Process Review Board (PRB) as part of the control framework, and then presented to the CFHA Management Committee. The resulting policy documents, instructions and procedures will be distributed to all personnel, once approved. The implementation of the improved processes, including any required training, will be a priority for FY 2013-2014.

Work on additional priority processes has already begun across CFHA to ensure that all functional areas are introduced to the process management methodology and that CFHA builds the internal capacity and expertise to embed a permanent culture of continuous improvement. Ultimately, the reason why CFHA initiated a Business Process Management Project was to ensure that the processes used in the day-to-day business of the Agency are the right ones and that they are performing at their best, to the benefit of customers.

Jackie Lizotte, Chief Business Operations at HSC Petawawa, who took part in the process improvement project, stated that "although the initiative is a huge undertaking, it is very important to stay on track. Change can indeed be difficult but once the new processes are in place at every site, not only will it be easier to train staff but it will also provide more flexibility and cooperation opportunities. More importantly, less time will be spent explaining why something is done in a certain way and more time will be spent actually tending to the customers' needs."

Good process management practices will result in continuous quality improvement and in the reduction of waste, cycle time, errors and duplication while at the same time increasing efficiency, consistency, reliability, simplicity and standardization. The continuous evaluation of processes will help CFHA adapt to the shifting economical environment, advancing technologies and changing residential needs of customers. Achieving a culture of continuous improvement will allow the Agency to deliver better services and housing solutions to CAF families – and that is what truly motivates CFHA staff.



Retrieved from
BusinessDictionary.com

"EFFICIENCY IS THE COMPARISON OF WHAT IS ACTUALLY PRODUCED OR PERFORMED WITH WHAT CAN BE ACHIEVED WITH THE SAME CONSUMPTION OF RESOURCES (MONEY, TIME, LABOUR, ETC.). IT IS AN IMPORTANT FACTOR IN DETERMINATION OF PRODUCTIVITY."

SHARING CFHA'S
ACCOMPLISHMENTS
IN 2012-2013



WILLING TO GO — THE — EXTRA MILE

A man with glasses and a mustache, wearing a dark suit and tie, is sitting on a wooden stool. He is smiling and looking towards the camera. The background is a wood-paneled wall.

BRAD BARKER
Chief Technical Services –
HSC Trenton

“WHEN THE PATTEN FAMILY CAME TO SEE US LATE IN THE FALL OF 2011 TO DISCUSS THEIR NEEDS FOR SPECIAL ACCOMMODATIONS TO HELP CARE FOR THEIR YOUNG DAUGHTER, OUR MANAGER BROUGHT ME IN RIGHT AWAY. A child in the family has mobility issues and as a baby, it was easy to move her around, but as she got older it was becoming an issue. [...] The parents were very patient and understanding. It took planning and persistence on our part and thankfully, a few months later, we were able to get funds to modify their house to help them. We had done something similar in the past and it so happened that an identical house, already equipped with an outside access ramp, was available for this type of renovation. We were therefore able to complete the work fairly rapidly once the project was approved. In the end, a main floor barrier-free suite was added to the house complete with a bedroom, wheel-in closet, wheel-in shower and an overhead electrically-operated tracking system that also leads to the living room. This was done for a reasonable price, allowing the rent to remain at an acceptable level. The family was able to move into the modified house prior to Christmas 2012 and it sure felt great to see how much they appreciated what we did for them.”

Staff members at CFHA are trained service providers and going the extra mile to assist relocating families coping with increased stress is a concept that is well understood across the organization. Military families are often asked to relocate to address the needs of the CAF and Agency personnel will go to great lengths to ease this transition. These are only a few examples of customer feedback that show what form the CFHA care can take.

“CFHA STAFF IN TRENTON WENT ABOVE AND BEYOND TO HELP US OUT. NEVER IN OUR WILDEST DREAMS DID WE IMAGINE WHAT WAS DONE TO ACCOMMODATE OUR FAMILY. Everything we asked for was included in the house. Everything was done well and lightning fast. [...] When the work was nearing completion, Derek Fulford, the site manager and our point of contact showed us around with a couple of guys. Our daughter wanted him to pick her up and he was really touched by that. The look on his face when he was able to meet the person for whom these house modifications were done was priceless. My wife and I are really appreciative of what Derek did for us. He is in my opinion the most kind, understanding and compassionate person I have ever dealt with in the Canadian Armed Forces and DND. We will never forget what he did for us.”

CPL BRIAN PATTEN
An appreciative father

MRS. DONNA MOORE
Former Gagetown Housing
Customer

“I MOVED OUT OF DND HOUSING IN MARCH 2013 AFTER HAVING LIVED IN IT FOR JUST OVER TWO AND A HALF YEARS AND I HAVE ONLY GOOD THINGS TO SAY ABOUT THE SERVICES I RECEIVED DURING MY STAY.

The house I moved into had a brand new bathroom, the kitchen floor had just been redone and the hardwood floor had been resurfaced. The house was in pretty good shape and had I stayed there a little longer, I would have enjoyed the new exterior look because they were getting ready to replace the siding on the house when I left. [...] I did have to place a couple of calls for minor stuff and every time, folks at CFHA sent someone right away and everything was fixed quickly. Their services were excellent!

I will never forget when I first applied for housing. I was going through a very rough time; my house had sold faster than I expected and I was living in a travel trailer. When the staff at CFHA found out about my situation, they were very understanding and so accommodating. Thank you Nancy [Curlew, Customer Service Representative – HSC Gagetown] for helping me out in a difficult time. You were very friendly and compassionate, so very helpful!”

"MY FIRST EXPERIENCE WITH DND HOUSING DATES BACK TO THE EARLY 90s IN GAGETOWN WHEN I WAS A JUNIOR OFFICER, EVEN BEFORE THE AGENCY WAS SET UP. Since, I also lived in Ste-Foy, Valcartier and I recently moved with my family to Trenton, in one of their two new single homes. This last house is obviously newer and more spacious than those we have lived in before. [...] This house in Trenton, much like the one in Valcartier, offers much more privacy and a wooded backyard that we enjoy. The rent where we live now is a bit expensive and the house should offer more storage in the kitchen but it still meets all of our family needs very well. This type of housing should be the new standard for all CAF families living in DND housing.

The quality of service that is offered in Trenton is very good. In our exchanges and while moving in, the staff was accommodating and showed a lot more flexibility than what we experienced before. It was refreshing to see. In general, DND housing is older and needs improvement but the Agency maintains it well. Whenever we had to report a brake or otherwise, the service was fast and I never had a complaint."

**LIEUTENANT-COLONEL
FRANÇOIS DUFAULT**
A regular customer





MOVING FORWARD

MORE THAN TWO YEARS AGO, DND'S NEED FOR RESIDENTIAL HOUSING IN SUPPORT OF THE CAF WAS REAFFIRMED. THE DEPARTMENT THEN SET OUT TO REVIEW CFHA'S SERVICE DELIVERY AND FUNDING MODEL TO ESTABLISH ITS SUITABILITY TO MEET THOSE RESIDENTIAL NEEDS IN A SUSTAINABLE MANNER, IN A MANNER THAT REDUCES ITS DEPENDENCIES ON THE DEPARTMENT.

Now equipped with recommendations drawn from the Housing Service Delivery Option Analysis Report produced last year by a third-party, Accommodation Board Co-Chairs ADM(IE) and the Chief of Military Personnel will consult with Housing Custodians and departmental senior management through its governing bodies moving towards a departmental decision on what is the most suitable delivery model for DND housing services. Departmental experts in a variety of fields are supporting this complex briefing and consultation process and staff is anxiously awaiting its results, which will pave the way for the future of the Agency. In the meantime, some of the report's findings will likely be used to implement efficiencies with respect to the current delivery model.

While opportunities are being discussed, the Agency continues to actively seek efficiencies and excellence. The continuous improvement journey on which CFHA has embarked is rapidly becoming a way of life as the Agency transitions to Excellence Canada's new Excellence, Innovation and Wellness Standard. Existing healthy workplace initiatives are strongly entrenched to ensure the well-being of CFHA's workforce. Process improvements

initiated last year will progress to implementation and the upcoming year will witness the launch of more than a dozen key business processes made clearer, more consistent and more efficient. Specifically, through extensive review and consultation, step-by-step maps that clearly outline each process are being created and the directive, guidelines and policies associated with every single one of those internal procedures are also being reviewed for optimization. Employees taking part in these exercises, functional experts, eagerly await implementation because all agree that once consistency on how things are done is achieved nationally, time, money and effort will undoubtedly be saved to the benefit of CFHA customers.

Everything done in these times of constraint across all governmental organizations is motivated by the desire to do more for CAF families, to ensure the highest possible proportion of the collected rent-revenue finds its way back into DND's housing portfolio. Making CAF families more comfortable in their rental home is one of CFHA's goals. Ready to take on the challenges of tomorrow, Agency staff will embrace whatever the future holds.

ANNEX A – FINANCIAL STATEMENTS

STATEMENT — OF — MANAGEMENT RESPONSIBILITY

RESPONSIBILITY FOR THE INTEGRITY AND OBJECTIVITY OF THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 AND ALL INFORMATION CONTAINED IN THESE STATEMENTS RESTS WITH THE MANAGEMENT OF CFHA. THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT IN ACCORDANCE WITH TBS ACCOUNTING POLICIES WHICH ARE CONSISTENT WITH CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR THE PUBLIC SECTOR.

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 to the Public Accounts of Canada and included in the DND Departmental Performance Report is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide

reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, and are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds.

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:

Dominique Francoeur
Chief Executive Officer
Canadian Forces Housing Agency

Natasha Tchentsova, CGA
General Manager
Finance, Planning and
Resource Management

Statement of Financial Position (Unaudited)

As at March 31

(in thousands of dollars)	2013	2012
Assets		
<i>Financial Assets</i>		
Accounts Receivable (Note 4)	288	132
	288	132
<i>Non-Financial Assets</i>		
Tangible Capital Assets (Note 5)	143,377	123,487
	143,377	123,487
Total	143,665	123,619
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	17,734	21,908
Vacation Pay and Compensatory Leave	762	730
Employee Severance Benefits (Note 8)	2,121	2,535
	20,617	25,173
Equity of Canada	123,048	98,446
Total	143,665	123,619

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

Statement of Operations (Unaudited)

For the year ended March 31

(in thousands of dollars)	2013	2012
Care and support to the CAF and contribution to Canadian society		
Operating Expenses		
Maintenance and Repair	64,381	69,566
Salaries and Employee Benefits	19,954	19,388
Professional and Special Services	10,023	12,004
Utilities, Materials and Supplies	6,230	6,427
Accommodation	4,680	4,735
Amortization (Note 5)	5,406	4,552
Other Services	2,055	3,000
Travel	902	1,035
Expenses Related to Tangible Assets (Note 5)	362	518
Communication	88	215
Equipment and Other Rentals	116	115
Bad Debts	86	101
Other	22	27
Advertising, Printing and Related Services	22	17
Loss on Disposal of Tangible Capital Assets	98	9
Total Operating Expenses	114,425	121,709
Revenues		
Shelter Charges	91,326	89,632
Miscellaneous Revenues (Note 6)	5,842	5,994
Total Revenues	97,168	95,626
Net Cost of Operations	17,257	26,083

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(i) of these financial statements).

Statement of Equity of Canada (Unaudited)

For the year ended March 31

(in thousands of dollars)	2013	2012
Equity of Canada, beginning of year	98,446	79,867
Net Cost of Operations	(17,257)	(26,083)
Current Funding Used (Note 3)	35,588	48,707
Change in Net Position in the Consolidated Revenue Fund (Note 3)	4,615	(5,665)
Services Received Without Charge from Other Government Departments (Note 9)	1,656	1,620
Equity of Canada, end of year	123,048	98,446

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

Statement of Cash Flows (Unaudited)

For the year ended March 31

(in thousands of dollars)	2013	2012
Operating Activities		
Net Cost of Operations	17,257	26,083
Non-Cash Items		
Amortization of Tangible Capital Assets (Note 5)	(5,406)	(4,552)
Loss on Disposal and Write-down of Tangible Capital Assets	(99)	(9)
Services Provided Without Charge by Other Government Departments (Note 9)	(1,656)	(1,620)
Variations in Statement of Financial Position		
Increase (decrease) in Accounts Receivable	156	(41)
(Increase) decrease in Liabilities	4,556	(3,542)
Cash Used by Operating Activities	14,808	16,319
Capital Investment Activities		
Acquisitions of Tangible Capital Assets (Note 5)	25,395	26,723
Cash used by Capital Investment Activities	25,395	26,723
Net Cash Provided by Government of Canada	40,203	43,042

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(i) of these financial statements).

Notes to the Financial Statement (Unaudited)

1. Authority and Purpose

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

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

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with TBS accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

(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 expenditure(s).

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 Consolidated Revenue Fund (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 CRF

The change in net position in the CRF 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

- i. Revenues from shelter charges are recognized in the accounts based on the services provided in the year.
- ii. 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:**

- i. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- ii. Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services 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, a multi-employer plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total Agency's obligation to the Plan. Current legislation does not require DND to make contributions for any actuarial deficiencies of the Plan.

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.

(g) Accounts receivables

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

(h) Contingent liabilities – Claims and Litigations

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. (Refer to Note 11 of these financial statements)

(i) Tangible capital assets

All tangible capital assets, having an initial cost of \$30,000 or more, including capital leases, betterments and leasehold improvements, are recorded at their acquisition cost. Capitalization threshold values lower than \$30,000 may apply to certain assets such as vehicles and repairables.

The Agency does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on First Nations Reserves and museum collections.

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

(j) Measurement uncertainty

The preparation of these financial statements in accordance with TBS accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector 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 contingent liabilities, the liability for employee severance benefits, 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.

3. Reconciliation of Current Year Funding Used

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

(in thousands of dollars)	2013	2012
Net Cost of Operations	17,257	26,083
Adjustments for items affecting Net Cost of Operations but not affecting Funding:		
Amortization of Tangible Capital Assets (Note 5)	(5,406)	(4,552)
Vacation Pay and Compensatory Leave	(32)	50
Employee Severance Benefits	414	1,727
Adjustment to Previous Year's Accounts Payable	(371)	406
Services Provided Without Charge by Other Government Departments (Note 9)	(1,656)	(1,620)
Loss on Disposal of Tangible Capital Assets (Note 5)	(99)	(9)
Other	86	(101)
	10,193	21,984
Adjustments for items not affecting Net Cost of Operations but affecting Funding:		
Acquisitions of Tangible Capital Assets (Note 5)	25,395	26,723
Current Year Funding Used	35,588	48,707

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

(in thousands of dollars)	2013	2012
Net Cash Provided by Government	40,203	43,042
<i>Revenue not available for Spending</i>		
<i>Change in Net Position in the Consolidated Revenue Fund</i>		
(Increase) Decrease in Accounts Receivable and Advances	(156)	41
(Decrease) Increase in Accounts Payable, Accrued Liabilities and Transfer Payments Payables	(4,174)	5,319
Adjustment to Previous Year's Accounts Payable	(371)	406
Other Adjustments	86	(101)
	(4,615)	(5,665)
Current Year Funding Used	35,588	48,707

4. Accounts Receivable and Advances

(in thousands of dollars)	2013	2012
Receivables from Other Federal Government Departments and Agencies	71	45
Receivables from External Parties	860	789
Gross Accounts Receivable	931	834
Less: Allowance for Doubtful Accounts on External Receivables	(643)	(702)
Total	288	132

5. Tangible Capital Assets

Tangible Capital Assets					
(in thousands of dollars)	Opening Balance	Acquisitions	Transfer	Disposals	Closing Balance
Residential Houses	128,360		19,441	(577)	147,224
Work in progress	18,787	25,395	(19,441)		24,741
Total Tangible Capital Assets	147,147	25,395	-	(577)	171,965

Accumulated Amortization				
(in thousands of dollars)	Opening Balance	Current Year Amortization	Disposals and Transfers	Closing Balance
Residential Houses	23,660	5,406	(478)	28,588
Total Tangible Capital Assets	23,660	5,406	(478)	28,588

Net Book Value		
(in thousands of dollars)	2013	2012
Residential Houses	118,636	104,700
Work in progress	24,741	18,787
Total Net Book Value	143,377	123,487

Amortization expenses for the year ended March 31, 2013 is \$5,406,274 (2012 – \$4,551,657).

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.

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. The realty replacement cost of residential housing assets was approximately \$1.822 billion and the number of CFHA owned housing units is 12,265 at March 31, 2013.

6. Miscellaneous Revenues

(in thousands of dollars)	2013	2012
Recovery of Utility Charges	4,576	4,405
Recovery from Foreign Military Training	1,061	1,258
Others	205	331
Total	5,842	5,994

7. Accounts Payable and Accrued Liabilities

(in thousands of dollars)	2013	2012
Federal Government Departments and Agencies	3,834	4,449
External Parties		
Accounts Payable	13,167	16,603
Accrued Salaries	17	10
Other Liabilities	716	846
Total Accounts Payable and Accrued Liabilities	17,734	21,908

8. Employee Future Benefits

(a) Pension Benefits

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

Both the employees and the Department contribute to the cost of the Plan. The expense presented below represented approximately 1.7 times (1.8 in 2011-12) the employees' contributions.

(in thousands of dollars)	2013	2012
Pension Expense	2,179	2,111

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

(b) Severance Benefits

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

(in thousands of dollars)	2013	2012
Accrued Future Benefit Obligation, beginning of year	2,535	4,261
Expense for the Year	127	(3)
Benefits paid during the year	(541)	(1,723)
Accrued Future Benefit Obligation, end of year	2,121	2,535

9. Related Party Transactions

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

Services Received Without Charge

Also, during the year, the Agency received without charge from other departments, accommodation, audit services, the employer's contribution to the health and dental insurance plans, and workers' compensation coverage. These services without charge have been recognized in the Agency's Statement of Operations as follows:

(in thousands of dollars)	2013	2012
Accommodation provided by Public Works and Government Services Canada		-
Employer's contributions to the health and dental insurance plans paid by TBS	1,656	1,620
Audit services provided by the Office of the Auditor General		-
Workers' compensation coverage provided by Human Resources and Skills Development Canada		-
Total	1,656	1,620

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

10. Contractual Obligations

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

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

(in thousands of dollars)	2013-14	2014-15	2015-16	2016-17	2017-18 and thereafter	Total
Project	14,851	521	-	-	-	15,372
Operating Lease	931	848	352	80	-	2,211

11. Contingent Liabilities

There is an initiated litigation against Her Majesty the Queen in Right of the Department of National Defence for damages involving leases for the provision of housing in Halifax. The leases in question date back to 1963; CFHA has been managing these leases since April 1996. DND has communicated the necessary information to the Office of the Auditor General in the context of its year-end audit.

ANNEX B
CONTACT
INFORMATION
— & —
ABBREVIATIONS
— USED IN THIS —
REPORT

Mailing Address

Canadian Forces Housing Agency

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

General Inquiries: 1-888-459-CFHA (2342)

Email: CFHA-ALFC@forces.gc.ca

Fax: 613-998-8060

Website: www.cfha-alfc.forces.gc.ca

Abbreviations Used in this Report

ADM(IE)	Assistant Deputy Minister (Infrastructure and Environment)
CAF	Canadian Armed Forces
CEO	Chief Executive Officer
CFHA	Canadian Forces Housing Agency
DND	Department of National Defence
FY	Fiscal Year
HSC	Housing Services Centre
IE	Infrastructure and Environment
SWE	Salary Wage Envelope