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# CANADIAN FORCES HOUSING AGENCY

## ANNUAL REPORT 2016-2017



Canada



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## THE YEAR IN REVIEW FROM CFHA'S MANAGEMENT COMMITTEE

The Canadian Forces Housing Agency (CFHA) experienced senior leadership changes throughout fiscal year (FY) 2016-2017 since the retirement of the previous Chief Executive Officer, Dominique Francoeur. Nevertheless, CFHA had another successful year and effectively used this time of uncertainty to meet important milestones, to continue responsibly investing in its housing portfolio, and to improve customer service, all in an effort to better position the Agency moving forward.

Throughout the year, CFHA celebrated well-deserved successes. The Agency marked an important milestone by celebrating 20 years of service to the Canadian Armed Forces (CAF) and the Department of National Defence (DND). Furthermore, CFHA celebrated achieving the Gold Level from Excellence Canada for the Excellence, Innovation & Wellness Standard for Canada and was once again presented the Canada Award for Excellence, in recognition of the Agency's hard-earned success in its journey toward organizational excellence.

The Agency also continued to strategically invest in its housing portfolio by expending \$147 million for recapitalization, interior renovation, exterior retrofit and construction. This included the \$50 million in funding received through the Federal Infrastructure Investments Program for FY 2016-2017. These investments have contributed to the

quality of life of CAF members and their families, and have allowed the Agency to continue to deliver a high level of service to its stakeholders.

Looking to the future, CFHA is updating its strategic plan to better position the organization to deliver the military housing program, including responding to the Department's operational requirements, and to modernize and expand on the services provided to meet the ever-changing needs of Canadian Armed Forces members and their families. The Agency's strategic plan will focus on key enablers that will allow it to meet its goals; on innovation in both the customer service interface and its business infrastructure, on greening CFHA operations and on using strategic partnerships to support its innovation strategies.

The CFHA Management Committee recognizes that our valued employees continued to demonstrate once again their expertise in all housing and related matters, and exhibit patience and professionalism while awaiting our new leader. We are thankful to lead such a devoted and skillful group of professionals, and look forward to witnessing ever-greater progress over the next year.

### **David Thompson**

Acting Chief Executive Officer  
on behalf of Management Committee  
Canadian Forces Housing Agency

## DELIVERING ON CFHA STRATEGIC OBJECTIVES IN FISCAL YEAR 2016-2017

### Providing excellent services to our customers and clients

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. In February 2017, CFHA conducted the Canadian Armed Forces Occupant Survey. This was a continuation of a previous survey conducted in 2014. Since the last survey, CFHA's efforts to improve occupants' satisfaction with DND housing and CFHA services have trended upward, and most notably, CFHA has made great strides in improving satisfaction with CFHA services, communications with occupants and the condition of the DND housing portfolio. The survey findings reveal significant improvement in occupants' satisfaction with their housing, as well as in their views about CFHA's services and communications. This suggests that CFHA's efforts over the past few years – to improve the housing portfolio and to address other sources of customer dissatisfaction – have made a difference. Occupants also expressed that they would like to receive critical and general information via email (or other digital communications), which CFHA will address moving forward as it continues to work on improving its customer service.

### 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.

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

CFHA received an additional \$50 million in funding from the Federal Infrastructure Investments Program (FIIP) for FY 2016-2017. This means that after two years, CFHA has successfully invested almost \$103 million in Federal Infrastructure Investments Program funding into its national housing portfolio. The Agency used a portion of this year's funding to address demand for smaller units by constructing apartment buildings at three sites, which was a first in Agency history. Through the combined investment from life cycle, betterment, recapitalization, and replacement programs, CFHA enhanced thousands of residential housing units, with the full renovation of more than 378 units, the replacement or new construction of approximately 126 units, and the improvement of thousands of others. In total, CFHA spent \$147 million, including the \$50 million from the Federal Infrastructure Investments Program into the DND residential housing portfolio in FY 2016-2017.

Throughout the year, CFHA continued to advance its portfolio and program management capabilities, resulting in significant improvements to the overall portfolio. Condition assessments for FY 2016-2017



demonstrated that 86% of the portfolio is in average or better condition. Along with the ongoing rationalization of the portfolio, the Agency continued to invest in housing solutions to meet the changing demographic demand. Through the implementation of disposal and demolition activities, the Agency ensures that housing is maintained where needed and that it does not invest in housing that is no longer operationally required.

In FY 2016-2017, CFHA expended \$2.74 million in demolitions. The demolition/divestment program reduced the national housing portfolio by approximately 1%. Demolitions contribute to the consolidation of residential housing sites and improve privacy, parking, landscaping, and security and access issues in our communities. These strategically planned and implemented demolitions provide for a much improved neighbourhood layout, customer satisfaction, while also reducing operating costs and achieving cost savings by reducing the need for future infrastructure and servicing utility upgrades.

## **Fostering a vibrant, competent workforce in a healthy workplace**

CFHA strives to have a workplace where employees can thrive and contribute to the Agency's success in a meaningful way. In FY 2016-2017, CFHA implemented a Workplace Wellness Strategy. The strategy strives for a culture in which all employees feel physically and psychologically healthy and safe, and are motivated and enabled to do their best work. The Agency also focused on a Learning Strategy that aims to build a CFHA workforce that has the relevant knowledge and skills at the right

time to meet demands in its pursuit of excellence. The strategy ensures that all employees complete a learning plan and meet mandatory training requirements to help them excel in their careers. The Learning Strategy is supported by an Orientation Program to help new employees at all levels understand and feel part of the Agency.

The Agency also continued its journey towards organizational excellence and achieved certification at the Gold Level from Excellence Canada for the Excellence, Innovation & Wellness Standard for Canada in June 2016 and also received a second Canada Award for Excellence. To obtain the gold level, CFHA needed to demonstrate achievements in meeting its strategic goals; an organization-wide focus on excellence, innovation and wellness; positive results being achieved across all drivers of excellence; and, widespread quantifiable improvement as a result of moving from reactive to proactive approaches and practices.

## **Excelling in our sound management practices and stewardship of resources**

CFHA continued to focus on improving its practices and stewardship of resources throughout the year. CFHA integrated environmental considerations in maintenance, renovation, and new construction with the aim of reducing the negative environmental impacts of housing management. The Agency is committed to comfortable and energy efficient housing for military families. For example, housing-related Green Globes and Leadership in Energy and Environmental Design (LEED) principals are integrated into CFHA's technical standards, which operationalize the use of green materials and methodologies for

improved energy efficiency. In FY 2016-2017, Green Globes considerations were incorporated into four apartment building construction projects. Furthermore, CFHA conducted energy efficiency evaluations of housing units by means of Natural Resources Canada's ecoENERGY Retrofit homes program in order to obtain an EnerGuide for Houses rating for each major renovation and new construction project. The evaluations demonstrated that CFHA met its targets.

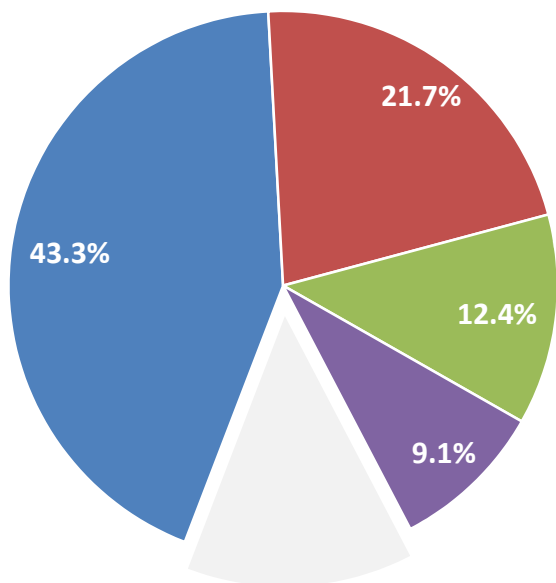
The three-year Petawawa Maintenance Services Contract Pilot Project continued throughout FY 2016-2017. It was originally implemented in January 2015 as a means to drive innovation in the delivery of maintenance services for CFHA. This unique contract structure aims to create efficiencies through the consolidation of real property maintenance contracts. The pilot has met its primary objective by reducing the number of contracts at Housing Services Centre Petawawa from 34 separate procurement instruments into one overarching contract. In FY 2016-2017, the pilot continued to demonstrate additional benefits such as increased flexibilities and process efficiencies, such as a general reduction in the number of days to facilitate changes of occupancy. Going forward and based on the success of the pilot project, CFHA expects to implement similar models in other sites across Canada in FY 2018-2019.

Furthermore, the Agency conducted multifunctional reviews in Bagotville, Halifax, North Bay, Shilo and Winnipeg. Multifunctional reviews are some of the leadership governance and oversight tools put in place to monitor the Agency's work. These reviews also help to monitor organizational health through confidential, one-on-one interviews with employees, guided by

questions about workplace wellness. Any trending systemic issues are brought to the attention of managers for resolution and are used to inform future improvement planning.

In addition, CFHA remained within 2% of its allocated budget in FY 2016-2017; therefore, demonstrating the Agency's continued excellence in program and project management, and in the stewardship of resources.

## DISTRIBUTION OF FUNDS

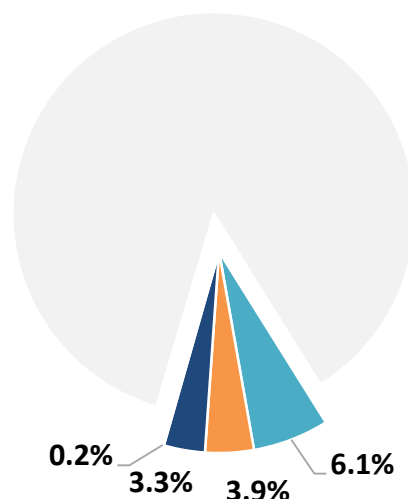


### Direct Costs – 86.5%

- Capital and Betterment**  
New construction and recapitalization, or work completed to improve an asset
- Life cycle and Maintenance**  
Activities that maintain the useful life of the asset or its components (e.g. roof replacement, siding replacement, furnace replacement)
- 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)
- 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

### Indirect Costs – 13.5%

- Operational Salaries**  
Salaries for Housing Services Centre personnel
- Corporate Salaries**  
Salaries for Head Office personnel
- Corporate Overhead**  
Lease and utilities, supplies, training, professional services, travel for Head Office employees, market studies, and strategic site plans
- Housing Services Centre Overhead**  
Recurring activities required in running site offices (e.g. office lease and utilities, supplies, training, and travel for Housing Services Centre employees)





## FINANCIAL STATEMENT

### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2017 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 Departmental Performance Report is consistent with these financial statements.

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

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

The CFHA financial statements have not been audited.

Approved By:

David Thompson  
Acting Chief Executive Officer  
Canadian Forces Housing Agency

Natasha Tchentsova  
General Manager  
Finance, Planning and Resource Management

## Statement of Financial Position (Unaudited)

As at March 31

(in thousands of dollars)	2017	2016
<b>Assets</b>		
<i><b>Financial Assets</b></i>		
Accounts Receivable (Note 4)	73	96
	73	96
<i><b>Non-Financial Assets</b></i>		
Tangible Capital Assets (Note 5)	313,245	258,986
	313,245	258,986
<b>Total</b>	<b>313,318</b>	<b>259,082</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 7)	19,025	27,583
Vacation Pay and Compensatory Leave	911	902
Employee Future Benefits (Note 8)	922	1,264
	20,858	29,749
<b>Equity of Canada</b>	<b>292,460</b>	<b>229,333</b>
<b>Total</b>	<b>313,318</b>	<b>259,082</b>

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)	2017	2016
<b>Operating Expenses</b>		
Maintenance and Repair	62,648	64,556
Salaries and Employee Benefits	17,487	18,668
Professional and Special Services	12,453	7,822
Amortization (Note 5)	9,430	7,896
Utilities, Materials and Supplies	5,969	5,610
Accommodation	5,087	4,937
Expenses Related to Tangible Assets (Note 5)	2,459	436
Other Services	1,183	1,140
Travel and Relocation	901	856
Equipment and Other Rentals	177	164
Communication	87	39
Bad Debts	63	153
Advertising, Printing and Related Services	46	29
Other	13	13
<b>Total Operating Expenses</b>	<b>118,003</b>	<b>113,422</b>
<b>Revenues</b>		
Shelter Charges	93,565	93,329
Miscellaneous Revenues (Note 6)	6,305	6,507
<b>Total Revenues</b>	<b>99,870</b>	<b>99,836</b>
<b>Net Cost of Operations</b>	<b>18,133</b>	<b>13,586</b>

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

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

## Statement of Equity of Canada (Unaudited)

For the year ended March 31

(in thousands of dollars)	2017	2016
<b>Equity of Canada, beginning of year</b>	<b>229,333</b>	<b>170,974</b>
Net Cost of Operations	(18,133)	(13,586)
Current Funding Used (Note 3)	71,089	74,021
Change in Net Position in the Consolidated Revenue Fund (Note 3)	8,502	(3,710)
Services Received Without Charge from Other Government Departments (Note 9)	1,669	1,634
<b>Equity of Canada, end of year</b>	<b>292,460</b>	<b>229,333</b>

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)	2017	2016
<b>Operating Activities</b>		
<b>Net Cost of Operations</b>	<b>18,133</b>	<b>13,586</b>
<b>Non-Cash Items</b>		
Amortization of Tangible Capital Assets (Note 5)	(9,430)	(7,896)
Services Provided Without Charge by Other Government Departments (Note 9)	(1,669)	(1,634)
Disposals and Transfers of Tangible Capital Assets	(10)	(1,103)
<b>Variations in Statement of Financial Position</b>		
Increase (decrease) in Accounts Receivable	(23)	(11)
(Increase) decrease in Liabilities	8,892	(3,676)
<b>Cash Used by Operating Activities</b>	<b>15,893</b>	<b>(734)</b>
<b>Capital Investment Activities</b>		
Acquisitions of Tangible Capital Assets (Note 5)	63,699	71,045
<b>Cash used by Capital Investment Activities</b>	<b>63,699</b>	<b>71,045</b>
<b>Net Cash Provided by Government of Canada</b>	<b>79,592</b>	<b>70,311</b>

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



## Notes to the Financial Statement (Unaudited)

### 1. Authority and Purpose

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

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

### 2. Summary of Significant Accounting Policies

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

#### ***(a) Net Voting Authority***

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

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

#### ***(b) Net Cash Provided by Government of Canada***

The Agency operates within the 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 Consolidated Revenue Fund***

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***

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

***(e) Expenses***

**Expenses are recorded on the accrual basis:**

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

***(f) Employee future benefits***

**i. Pension benefits**

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

**ii. Severance benefits**

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

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

***(g) Accounts receivables***

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

***(h) Tangible capital assets***

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

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

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

***(i) Measurement uncertainty***

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

***(j) Remediation Liabilities***

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

### 3. Reconciliation of Current Year Funding Used

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

(in thousands of dollars)	2017	2016
<b>Net Cost of Operations</b>	<b>18,133</b>	<b>13,586</b>
<b>Adjustments for items affecting Net Cost of Operations but not affecting Funding:</b>		
Amortization of Tangible Capital Assets (Note 5)	(9,430)	(7,896)
Vacation Pay and Compensatory Leave	(9)	(16)
Employee Severance Benefits	342	67
Adjustment to Previous Year's Accounts Payable	(43)	(194)
Services Provided Without Charge by Other Government Departments (Note 9)	(1,669)	(1,634)
Disposal and Transfer of Tangible Capital Assets	(10)	(1,103)
Other	76	166
	<b>7,390</b>	<b>2,976</b>
<b>Adjustments for items not affecting Net Cost of Operations but affecting Funding:</b>		
Acquisitions of Tangible Capital Assets (Note 5)	63,699	71,045
<b>Current Year Funding Used</b>	<b>71,089</b>	<b>74,021</b>

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

(in thousands of dollars)	2017	2016
<b>Net Cash Provided by Government</b>	<b>79,592</b>	<b>70,311</b>
<b>Revenue not available for Spending</b>		
<b>Change in Net Position in the Consolidated Revenue Fund</b>		
(Increase) Decrease in Accounts Receivable and Advances	23	11
(Decrease) Increase in Accounts Payable, Accrued Liabilities and Transfer Payments Payables	(8,559)	3,727
Adjustment to Previous Year's Accounts Payable	(43)	(194)
Other Adjustments	76	166
	<b>(8,503)</b>	<b>3,710</b>
<b>Current Year Funding Used</b>	<b>71,089</b>	<b>74,021</b>

#### 4. Accounts Receivable and Advances

(in thousands of dollars)	2017	2016
Receivables from Other Federal Government Departments and Agencies	9	6
Receivables from External Parties	680	643
Gross Accounts Receivable	689	649
Less: Allowance for Doubtful Accounts on External Receivables	(616)	(553)
<b>Total</b>	<b>73</b>	<b>96</b>

#### 5. Tangible Capital Assets

Tangible Capital Assets					
(in thousands of dollars)	Opening Balance	Acquisitions	Transfer	Disposals	Closing Balance
Residential Houses	216,946		4,638	(53)	221,531
Work in progress	91,302	63,699	(4,638)	-	150,363
<b>Total Tangible Capital Assets</b>	<b>308,248</b>	<b>63,699</b>	<b>-</b>	<b>(53)</b>	<b>371,894</b>

Accumulated Amortization				
(in thousands of dollars)	Opening Balance	Current Year Amortization	Disposals and Transfers	Closing Balance
Residential Houses	49,262	9,430	(43)	58,649
<b>Total Accumulated Amortization</b>	<b>49,262</b>	<b>9,430</b>	<b>(43)</b>	<b>58,649</b>

Net Book Value		
(in thousands of dollars)	2017	2016
Residential Houses	162,882	167,685
Work in progress	150,363	91,301
<b>Total Net Book Value</b>	<b>313,245</b>	<b>258,986</b>

Amortization expenses for the year ended March 31, 2017 is \$9,430,597 (2016 - \$7,896,018)

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



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

## 6. Miscellaneous Revenues

(in thousands of dollars)	2017	2016
Recovery of Utility Charges	4,659	4,794
Recovery from Foreign Military Training	1,428	1,436
Others	218	277
<b>Total</b>	<b>6,305</b>	<b>6,507</b>

## 7. Accounts Payable and Accrued Liabilities

(in thousands of dollars)	2017	2016
<b>Federal Government Departments and Agencies</b>	<b>3,603</b>	<b>4,241</b>
<b>External Parties</b>		
Accounts Payable	13,454	21,613
Accrued Salaries	-	-
Remediation Liabilities	122	207
Other Liabilities	1,846	1,522
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>19,025</b>	<b>27,583</b>

### Remediation Liabilities – Contaminated Sites

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

The Agency has identified four sites where it is obligated to remediate and has recorded a remediation liability of \$121,509 for these sites.

## 8. Employee Future Benefits

### a. Pension Benefits

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

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

The 2016-2017 expense amounts to \$1,802,631 (\$1,931K in 2015-2016). For Group 1 members, the expense represents approximately 1.12 times (1.25 times in 2015-2016) the employee contributions and, for Group 2 members, approximately 1.08 times (1.24 times in 2015-2016) the employee contributions.

(in thousands of dollars)	2017	2016
<b>Pension Expense</b>	<b>1,803</b>	<b>1,931</b>

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)	2017	2016
Accrued Future Benefit Obligation, beginning of year	<b>1,264</b>	<b>1,331</b>
Expense for the Year	<b>(186)</b>	<b>95</b>
Benefits paid during the year	<b>(156)</b>	<b>(162)</b>
<b>Accrued Future Benefit Obligation, end of year</b>	<b>922</b>	<b>1,264</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. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms.

### A. Services Received Without Charge

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

(in thousands of dollars)	2017	2016
Employer's contributions to the health and dental insurance plans paid by TBS	1,669	1,634
<b>Total</b>	<b>1,669</b>	<b>1,634</b>

### B. Payable Outstanding at the Year End with Related Parties

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

(in thousands of dollars)	2017	2016
Accounts Payable to Other Government Department and Agencies	3,603	4,241
<b>Total</b>	<b>3,603</b>	<b>4,241</b>

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)	2017-18	2018-19	2019-20	2020-21	2021-22 and thereafter	Total
Project	14,171	-	-	-	-	14,171
Operating Lease	3,955	194	77	43	-	4,269



# DEPARTMENT OF NATIONAL DEFENCE HOUSING LOCATIONS IN CANADA

Updated April 2017



## Regional Reporting Structure Location and Number of Units

### Pacific and Western

- 1 COLD LAKE **866**
- 2 COMOX **243**
- 3 EDMONTON **504**
- 4 Iqaluit **4**
- 5 Yellowknife **103**
- 6 ESQUIMALT **708**
- 7 Masset **7**
- 8 MOOSE JAW **168**
- 9 Dundurn **28**
- 10 SHILO **607**
- 11 SUFFIELD **175**
- 12 WAINWRIGHT **186**
- 13 WINNIPEG **548**

### Central

- 14 BORDEN **663**
- 15 KINGSTON **471**
- 16 OTTAWA **147\***
- 17 NORTH BAY **182**
- 18 PETAWAWA **1626**
- 19 TRENTON **531**

\* includes one unit in Norfolk, Virginia, USA, to be disposed in 2017-2018

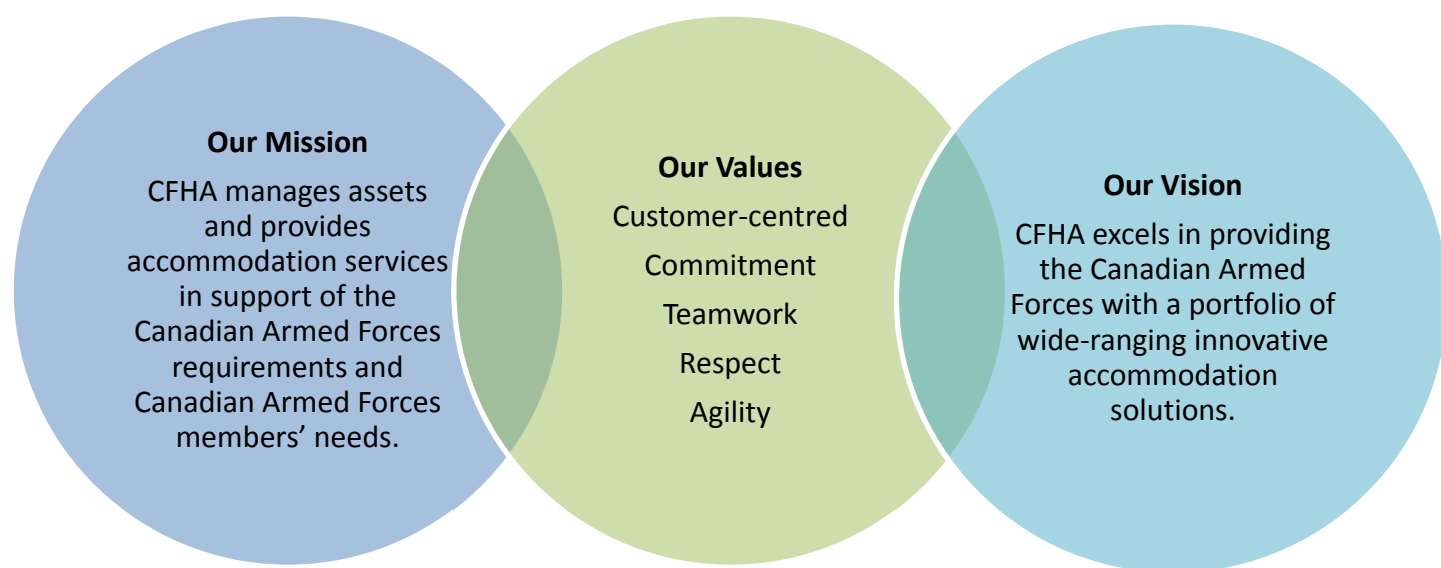
### Quebec and Eastern

- 20 BAGOTVILLE **336**
- 21 GAGETOWN **1446**
- 22 GOOSE BAY **230**
- 23 Gander **70**
- 24 GREENWOOD **568**
- 25 HALIFAX **485**
- 26 MONTRÉAL **190**
- 27 VALCARTIER **711**



## AGENCY PROFILE

CFHA provides support to DND by offering residential accommodation solutions to CAF members through the military housing program. As a special operating agency, CFHA contributes to the quality of life of CAF members and their families through the provision of housing services, and through the responsible and sustainable management of the Department's housing infrastructure. This consists of almost 12,000 housing units across Canada.



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