

CANADIAN FORCES HOUSING AGENCY

Annual Report
2018-2019



National
Defence

Défense
nationale

Canada

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The year in review from the Chief Executive Officer

The Canadian Forces Housing Agency (CFHA) entered its 23rd year as a Special Operating Agency in 2018-2019. I am proud of the outstanding work and dedication of our team in the provision of quality residential accommodation solutions for the Canadian Armed Forces (CAF) and for CAF members and their families.

As a partner in building resilient families and in enabling CAF operational readiness, CFHA is mission focused on providing the best possible housing solutions and services for CAF families. Resilient families are strong families, and over the past year we worked hard with stakeholders to turn houses into homes.

This year, we made significant investments in modernizing the housing portfolio with over \$134.5 million devoted to recapitalization, interior renovation, exterior retrofit, and to the construction of new Residential Housing Units (RHU). As such, an additional 41 CAF families had a new house to call home. The Agency's ingrained culture of persistent improvement in service delivery continued to be at the core of how we delivered our housing program and it is what drives CFHA to be a leader in federal residential housing.

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

CFHA also focused effort on customer satisfaction and increased engagement. Our relationship with CAF members was at the root of business decision making, and we worked diligently to ensure that we were able to meet their housing expectations. We shifted efforts to a more tailored approach to housing; whether it was providing barrier free and accessible RHUs or in the service we provide 24 hours a day, 7 days a week, we strived to achieve value added service. CFHA is humbled that at any given point in time one in five CAF members choose to live in our housing and we are committed to maintaining that trust.

We worked to protect, preserve and restore natural environments by taking an active role in the stewardship of resources. We applied energy efficiency standards to all new builds and renovations, creating a direct impact on lowering energy costs for occupants. CFHA is well positioned to meet targets five, six and eight of the [Defence Energy and Environment Strategy](#) (DEES).

Excellence in service delivery would be nothing without our dedicated workforce. As such, CFHA invested in our people to ensure that we continue to have an agile and capable team that possesses the right skills at the right time. Our strong workforce, our dedication to the mission, and our adaptability will ensure that our positive results will continue in future years to come.

David Thompson
Chief Executive Officer
Canadian Forces Housing Agency



Who we are

CFHA proudly delivers Department of National Defence's (DND) military housing program and supporting housing services to CAF members and their families across Canada – which translates into nearly 28,000 occupants that live in our communities.

CFHA is a leader in federal residential housing. We offer a portfolio of RHUs as an accommodation option to support CAF members and their families as they frequently relocate across Canada as duty demands, and at times, on short notice.

CFHA continuously modernizes its service delivery. We are focused on mission success, our organizational culture, our processes and our service to customers. We aim to provide the best possible service to our occupants and contribute to their well-being at home. There has been a definitive shift from “what we do” to “why we do it”, with a concentrated effort on the following priorities:

- Provide quality housing that responds to the varied needs of diverse CAF families.
- Provide a positive occupant experience through customer service excellence.
- Contribute to vibrant and supportive communities that enable operational readiness.
- Modernize tools, practices and processes, to maintain the Agency's journey to continued excellence.
- Develop new relationships with public, private and non-profit organizations in order to improve seamless housing services available to CAF members.
- Promote a respectful workplace where employees are equipped and supported to do their best.

CFHA manages and operates approximately 11,665 RHUs across Canada at 27 locations. The CAF members who occupy RHUs have varied needs and diverse family compositions, which includes: military service couples, singles, multi-generational families, single parents, families with children, and families with dependents with special needs. We strive to accommodate with tailored housing solutions to meet individual lifestyle needs. We offer single, semi-detached, row, apartments, and barrier-free accessible (BFA) houses.

CFHA works with CAF and DND partners to support operational readiness; whether it's a deployment, an exercise away from home, or the upheaval that moving brings, CFHA is dedicated to minimizing disruption to the family that can come from life in the military.

Each year, there are thousands of CAF members relocated throughout the country and in and out of our houses. We ensure that our RHUs are move-in ready, well-maintained and kept in good repair. Once moved in, our occupants can reach us 24/7. Peace of mind at home contributes to CAF families' resiliency.



Our dedication goes beyond providing quality services and quality housing, as we are committed to contributing to supportive and dynamic communities. Our neighbourhoods are conveniently located near the workplace and to the support services made available to military families, such as Military Family Resource Centres (MFRC). Many military families choose to live in military housing because it provides them with certainty that their families are safe and secure when the serving member is away from home. CFHA is committed to supporting the CAF's strong sense of family and community.

We deliver our services through a dedicated workforce whose varied knowledge, skills and abilities contribute to the Agency's success. CFHA cultivates a diverse, inclusive, agile and healthy organization. A diverse team allows us to optimize varying points of view and solutions in the delivery of the mandate. We are committed to achieving a high standard of service excellence within the Public Service, and we continue to be certified at the Gold level with Excellence Canada. In 2016, the Agency achieved the Canada Award for Excellence, Innovation and Wellness (EIW). The EIW Standard is based on research and knowledge of success factors in the workplace from around the world. It advances excellence in Canadian organizations in all sectors and aligns well with the Treasury Board Management Accountability Framework. The structured and progressive approach to excellence provides CFHA with a strategic umbrella for continuous improvement and connects CFHA's various frameworks and improvement initiatives leading to tangible results for our customers and stakeholders.



\$134.5 M
Invested in 2018-19

382
Recapitalizations
(bathroom and
kitchen renovations)

41
New Residential
Housing Units built

3
Green Globe
certifications

Nearly **20%**
of CAF members
are occupants

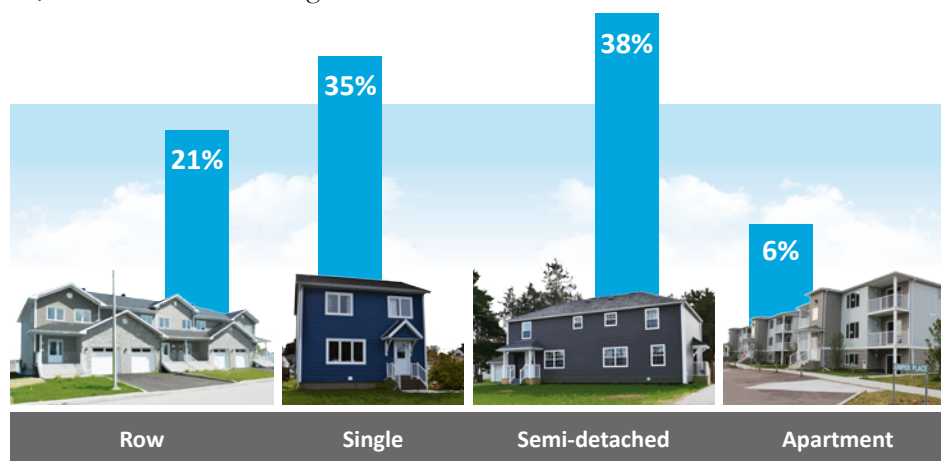
Housing

We are modernizing the housing portfolio every year and transforming it to meet the needs of CAF members' families. Our portfolio consists of row houses, singles, semi-detached and apartments.

In 2018-2019, we worked with many partners to deliver an ambitious program of lifecycle replacement and capital improvements, while increasing accessibility and energy efficiency in our buildings and continuing to build and revitalize our communities. With these investments, we improved the condition of our housing, along with the safety, accessibility, energy efficiency, and comfort for our occupants.

Current housing portfolio

11,665 Residential Housing Units



Community revitalization

This year, CFHA worked to improve and realign the portfolio to better meet the needs of the CAF, which included the construction of new RHUs in Trenton, Petawawa, Shilo and Moose Jaw. Many of these new RHUs were 2-bedroom apartments, to meet the changing needs of CAF families.

In working with partners, CFHA collaborated on significant improvements to base/wing communities through exterior upgrades, increased availability of parking and recreational area improvements. Major projects were implemented in Valcartier, Kingston and Halifax in higher-density neighbourhoods in order to improve traffic and pedestrian flows, reduce congestion, and beautify these areas.

Feature project

In October 2018, CFHA and Garrison Petawawa unveiled a new apartment complex providing a modern, eco-friendly accommodation option for CAF members and their families. The new complex serves to meet the needs of occupant demographics in Petawawa and has contributed to revitalizing the community landscape. This was a major step forward in aligning the housing portfolio with the needs of CAF families.



"Investing in our people is the single most important thing we can do in the CAF community!"

~Colonel Lapointe
Base Commander, Garrison Petawawa

"We are committed to the improvement, modernization and repair of housing."

~David Thompson
CFHA Chief Executive Officer

Accessibility and support to CAF families with special needs

CFHA is committed to building and adapting RHUs so that they are more inclusive. We invested in accessibility upgrades and modifications to many RHUs, making them barrier-free and accessible. This improves the living conditions and provides support for CAF members and their family members that may have special requirements.

CFHA also increased the level of support to released members and their families, who may face a number of challenges related to transitioning from military to civilian life. In 2018-2019, CFHA aligned policies to extend the length of time that a released member can remain in an RHU in order to provide additional support while they transition to their new civilian life.

Greening initiatives

CFHA is committed to implementing green building principles to ensure the sustainability and resiliency of the housing portfolio. We are increasing the energy efficiency of our RHUs and we use Natural Resources Canada EnerGuide Home Evaluation protocol to assess renovated units. 100% of recapitalized RHUs achieved an EnerGuide energy performance standard, thereby we continue to be on track to meet [Target 6 as set out in DEES](#). In addition, several of our newly constructed buildings have received greening certifications.

Through occupant newsletters, we delivered awareness to occupants about best practices for seasonal home maintenance, energy conservation and waste management methods. As a result, our occupants may benefit from lower energy costs.

Customer service

CFHA completed approximately 6,350 housing allocation transactions last year. We aimed to make being posted from one location to another as smooth as possible for CAF members. We recognize the stress associated with moving and that is why our staff personalize services, catering to family needs in making the move as easy as possible.



Emergency after Hours Services

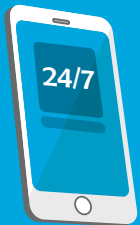
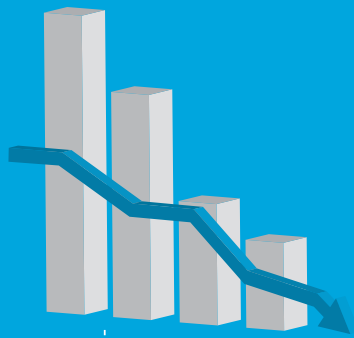
CFHA is ready to respond to unpredictable weather conditions or other emergencies that may affect RHUs at any time of the day or night. Our occupants can reach us through an emergency after-hours response service (EAHRS) (24 hours assistance) line. Last year we received 7,284 calls. Of those, 2,688 calls were deemed emergencies and were actioned immediately. Our occupants know that they can reach us and count on us.

Complaint management process

There were significant efforts made during this past year to improve the intake, management and resolution of customer complaints through the Complaint Resolution Process. Through the creation of a data analytics capability, CFHA developed an innovative tool for the analysis of customer complaints and inquiries, by location and type, in order to assist CFHA management in diagnosing potential systemic issues and in improving quality of services to occupants. In the evaluation of call logs we have seen a decline of 9.3% in complaints and service calls in 2018-2019 versus previous years.

Customer satisfaction with contractor performance

CFHA launched a new program in 2018-2019 for the follow-up and feedback from occupants on contractor timeliness and responsiveness with repairs and maintenance service requests. These evaluations provided CFHA staff with vital input directly from occupants on the performance of contractors that are on-site and in the homes of CAF members, which enabled us to improve our front-line services and better serve occupants.



Service calls

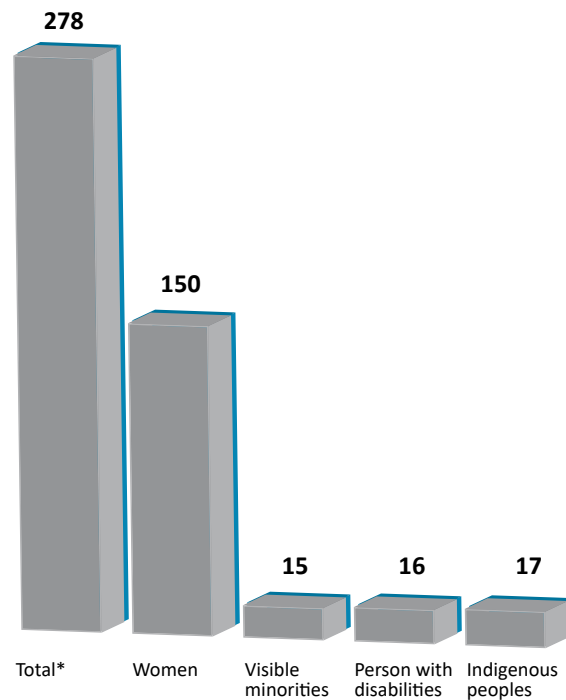


Occupant
complaints



Workforce

We are a strong and diverse workforce and we invest in our employees. In 2018-2019, we continued to provide functional, technical and operations program training to our teams. Front-line staff received tailored training through a combination of customized and job-specific support. We employed CAF members who have transitioned into the civilian public service. We also currently employ over a dozen military spouses. Their knowledge, skillset and ability to relate to the military life are assets and provides us with insight for improvements. We welcomed all employment equity groups in our workplace and we removed barriers experienced by employment equity groups to ensure the workforce is comfortable, accepted and that we celebrate diversity. CFHA Public Service Employee Survey results demonstrated that employees feel that their employment is a good fit with their skills and interest.



2018 to 2019 fiscal year

Note

This graph presents the quantitative results achieved in the representation of each of the four employment equity designated groups for the 2018 to 2019 fiscal year.

* Total employee count of 278 includes only indeterminate employees.

2
Military to Civilian
transitions

3
Military spouses hired

7%
of our workforce
were students

Why we do it

The impact that housing has on a CAF member's quality of life is significant. An acknowledged link exists between the quality of life of CAF members and CAF readiness; therefore, quality housing contributes to well-being and morale. Housing is also recognized as an important factor in recruitment, succession, retention and ultimately enables operational readiness.

Finding a new home is ranked as the most important task of a move requiring significant time and effort, according to the preliminary results from the Understanding the Needs of CAF Families During Relocations Study, Canadian Forces Morale Welfare Service (CFMWS) 2018. CFHA partnered with CFMWS, the Ombudsman's Office, and MFRCs across the country in order to improve our connection and services to CAF members.

Our maintenance and repair programs and energy efficiency initiatives improved the condition of the housing portfolio, not only to provide occupants with safe and accessible housing, but also to offer them benefits associated with energy efficient homes.

We are stewards of resources and ensure that our presence in communities is seen and felt as a positive affirmation of our mission. We want occupants to feel at home in their RHUs and in their neighbourhoods. This is why we invested in revitalization of our communities. A pleasant and enjoyable experience while living in DND residential housing brings families together and creates a strong bond within the community.

We are active partners in building strong and resilient CAF families. Our accomplishments in providing accommodation solutions for CAF members and their families can be seen in our results for 2018-2019.



CFHA supported Treasury Board Secretariat's Greening Government Strategy to reduce Greenhouse Gas Emissions through different initiatives. Greening CFHA's commercial vehicle fleet is one of them. The first hybrid vehicle was delivered to Valcartier in March 2019. In future years, CFHA plans to renew the fleet to further reduce the impact on the environment. This is in line with meeting the [DEES Target 8](#) as committed to in SSE.

Results

Housing

- Invested over \$134.5M into the housing portfolio.
- 84% of rent revenue was directed back into the portfolio.
- Completed 382 exterior and interior renovations.
- Constructed a total of 30 two-bedroom apartment RHUs in Petawawa, Shilo and Moose Jaw.
- Constructed seven single and four semi-detached houses in Trenton.
- Several renovation projects and new builds achieved EnerGuide energy performance standards. The apartments located in Shilo and in Petawawa attained the 3 Green Globes® Certification, meeting a high standard of environmentally sustainable construction.
- Converted one RHU into a more accessible unit in Winnipeg.
- Demolished 161 RHUs across the portfolio primarily in Winnipeg, Cold Lake and Ottawa, contributing to the reduction of greenhouse gas emissions.
- Revised our Design Standards to provide greening principles, objectives and benchmarks to guide us in planning and execution of daily housing operations. The revised standards ensure the Agency is aligned nationally within the broader Government of Canada greening initiatives context, and contributes to ensuring a level of consistency to meet energy and environment targets.
- Supported the DEES which aims at achieving 30% of DND light-duty, non-military vehicle fleet run on hybrid and/or electric technology by 2020.
- Maintained a good condition assessment score of 86.9% for the national housing portfolio.

Investments in the housing portfolio			Amount
RHU	recapitalization/renovation	382	\$65.1M
RHU	maintenance and repairs		\$35.8M
RHU	lifecycle (replacement of major components that are at or near the end of their useful life)		\$27.2M
RHU	new builds	41	\$4.5M *
RHU	demolitions	161	\$1.9M
* amount is the remaining investment dollars due to new builds initiated in 2017-2018 and completed in 2018-2019			



CFHA continuously strives to meet the needs of CAF member and their families. Barrier Free and Accessible housing is available at various sites across the country. This year we adapted one residential housing unit in Winnipeg.

Modernizing our services

In response to Blueprint 2020's vision for an open and networked environment, a modern workplace that makes smart use of new technologies, CFHA is engaged. We successfully implemented the use of new communication vehicles and business processes from which our customers have benefited:

- We have seen a steady increase in followers on Twitter. Our account is used to increase awareness of the Agency's services, our investments and job opportunities at CFHA across the country.
- In response to the results of the 2017 Occupant Survey, where our occupants asked for more digital communications, we now send all important site notices and newsletters through digital vehicles; this allows us to reach our occupants 24/7.
- Accessing our web content on Canada.ca, our content is much more robust; accessible and useable on any device, including desktop computers, mobile phones and tablets.

A WebGIS capability was launched in 2018-2019, providing a map-based interface for employees to view portfolio information that supports improved project planning and customer service. We initiated dialogues with our partners for making a similar tool available for CAF members when researching their housing options, in order to improve their relocation experience.

We will continue to focus our public service renewal journey on Beyond 2020's pillars of agility, inclusivity and the right equipment. Upcoming projects are expanded upon in our [looking to the future](#) section of this report.





My husband's job has moved us around quite a bit. I began working at CFHA in 2017 in Montreal. When we were posted to Esquimalt, I inquired about a transfer to the local Housing Service Centre. I have been welcomed with open arms and love how working with the Agency provides me with the ability to be a part of the workforce. I love working so close to home and supporting my community!

Sylvie,
Royal Canadian Air Force spouse working at CFHA Esquimalt
Lives in a Residential Housing Unit

People

At CFHA we promote an agile workplace; a workplace of inclusion and cooperation. We ensure our workforce is equipped to perform optimally. We understand that CAF members relocate three times more often than the average Canadian family. Frequent moves can contribute to an elevated stress level of the members and their families. This is why at CFHA, whether it is at Head Office or at one of our 27 locations, we enable our workforce with tools, training and a positive environment to help employees excel in their roles. In the last year, we have accomplished the following:

- In support of the Military Spouse Employment Initiative, in 2018-2019, we hired three military spouses. Spouses relate to military life and easily connect with the CAF community.
- We welcomed recently-released military personnel as they transitioned out of the Forces into civilian employment. We provided them with the tools to gain experience and learn new skills to be used along their journey.
- 7% of our workforce were students. Last year we hired 22 students, 17 were hired across the country at local Housing Service Centres (HSC) and an additional five at Head Office.
- We are agile. We relocated employees to improve their quality of life. The knowledge transfer and the unique skill set that employees bring with them, contribute to a stable and enjoyable work environment.
- We are inclusive. Staff meetings, regional training sessions and team workshops contributed to the environment of openness and collaboration.
- Employees had access to individual assessments and health reports to enable them to take positive steps in improving mental, physical and emotional wellbeing at home and at work.



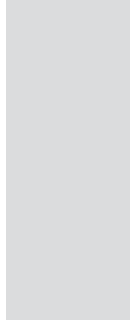
In 2018-2019, we continued building an engaged, adaptable and skilled workforce. We developed, maintained and implemented responsive and effective organizational structures and leveraged flexible and outcome driven recruitment initiatives. Our strong commitment to our customers, our employees and our partners contributed to making CFHA what it is, a recognized leader in housing services for the CAF.



Dan
Pacific-Western



Dominique
Head Office



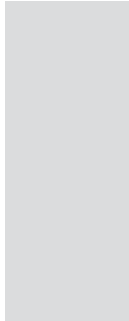
Lisa
Head Office



Ronald
Head Office



Zelda
Head Office



20+ years of dedication at CFHA



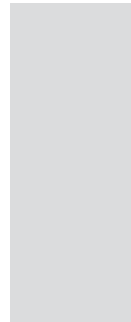
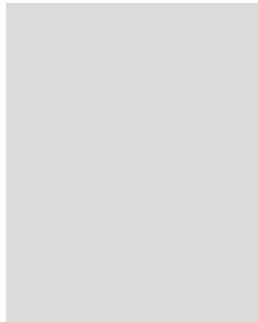
Chantale
Head Office



Margaret
Quebec-Eastern



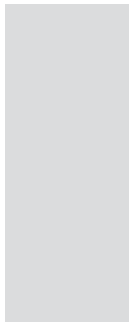
Derek
Head Office



Mark
Head Office



Iona
Pacific-Western



Jacqueline
Head Office



Charles
Head Office



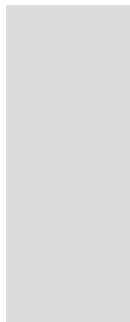
Jodi
Pacific-Western



Shannon
Pacific-Western



Sandra
Quebec-Eastern



Carolyn
Head Office



Johanne
Head Office

How we do it

CFHA actively engages with its strategic partners in order to achieve objectives. We ensure that communications are open and transparent. We promote a culture of trust and collaboration by sharing information, and by:

- Being proactive and action oriented.
- Raising awareness and building support for the housing program.
- Facilitating the exchange of knowledge and experience across the Agency.

We leverage our partners' expertise and input; their experience and knowledge contribute to our business decision process. We have a wide range of housing partners, some are within the DND and others are outside of the Department.



CFHA and Defence Construction Canada employees at a housing program meeting.

We engage with stakeholders. We want them to be aware of our progress and future plans, but also to obtain their feedback and input. Through engagement we gather important information that helps us to evaluate our services and realign processes when needed. Our stakeholders can provide feedback through different channels, including:

- Living Accommodation Board.
- DND/CAF Ombudsman.
- Local town halls.
- Canadian Forces Morale and Welfare Services.
- Military Family Resources Centres.
- Stars of CFHA, a recognition program which requires an occupant to nominate a CFHA employee.



2018 Stars of CFHA recipients – HSC Borden: Angélique, Sherrall, Sandra, Kelly-Lynne, Kayla, Debbie, Kimberly, André, Darlene, Robert and Denese.

Our engagement allows us to contribute to and support a strong sense of family and community for CAF members.

Our employees participated in various training activities to stay engaged, knowledgeable and innovative in the delivery of housing and customer services. In the last fiscal year, many of our employees have:

- Attended wellness sessions (mindfulness).
- Received various recognition awards.
- Received training on harassment prevention in the workplace.
- Embraced a virtual work place and adopted flexible work arrangements.

By continuously investing in our people, consulting with experts and collaborating with partners, we evolved to meet the needs of CAF members and their families.



Stars of CFHA 2018 - Donna, HSC Edmonton



On November 22, 2018, in Cold Lake, Alberta, Colonel Gros-Jean, Commander Canadian Armed Forces Real Property Operations Group, presented a Commendation from the Vice Chief of Defence Staff to Tania.



On December 8, 2018, CFHA's Yellowknife Housing Service Centre employee, Evelyn, was presented the Polar Medallion. The Polar Medallion was created with the support of the local Yellowknife Legion, Vincent Massey Branch 164, and the Yellowknife Military Family Resource Centre. It recognizes the sacrifices made by families and loved ones who support military members during their unique Northern posting. The Polar Medallion is presented to supporting individuals of serving military members and veterans who embody the values of Honour, Love and Respect. It is a symbol of appreciation, gratitude, and respect for the ongoing support a member receives from their loved ones.

306

Total Employees

193

Housing Services Centre
Employees

73

Pacific-Western

55

Central

65

Quebec-Eastern

113

Head Office Employees

Looking to the future

In 2019-2020, CFHA will continue to strive to meet the priorities outlined by the CAF/DND. We will continue working on the initiatives set out in Canada's Defence policy: SSE. Our focus on investing in our people, our houses and our services will remain at the forefront of our business. It is the foundation on which we are built.

As of March 2019, contracts were in place for the construction of 18 RHUs – twelve two-bedroom apartment RHUs in Borden, and six single RHUs in Trenton. Our new Design Standards will position us well to build the portfolio of the future. 20 RHUs in Winnipeg are scheduled for demolition in 2019-2020. Disposal of underutilized or obsolete buildings is an important DND initiative of rationalizing its real property portfolio. CFHA understands the value of data management and is working to leverage data to enable better business decisions. In support of the [DND/CAF Data Strategy](#), CFHA will continue to commit resources to improve data management and to the development of data driven-approaches in the provision of housing services.

CFHA will apply for Green Globe certification for the new apartments at Petawawa and Moose Jaw and expects to receive confirmation during fiscal year 2019-2020. Future construction of low-rise apartment buildings, and all planned major recapitalizations, will aim to be certified under the Green Globes Multi Family Standard for New Construction. This will support departmental targets on greening infrastructure.

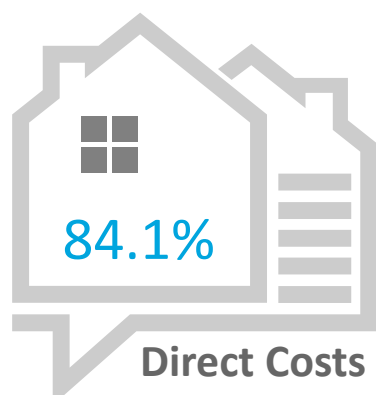
In support of the Seamless Canada initiative, we will work to alleviate the stress associated with moving and ease the burden of relocating to a new community for CAF members and their families. We will accomplish this by promoting innovation in the area of customer service. In 2020, CFHA will conduct an online occupant survey to track service levels and occupant feedback. We will accomplish this by promoting innovation in the area of customer service. The information gathered will provide us with insight into the challenges and experience lived by our occupants, cultivating an environment in which we can be more agile in responding to their needs.

We will implement a mobile workplace pilot project that will allow quicker response times for technical staff. They will have better access to tools and housing information in real time via remote access, virtually increasing work efficiency.

In 2016, CFHA achieved the Gold level of Excellence Canada's Standard for Canada: Excellence Innovation and Wellness and was also awarded Canada Award for Excellence. CFHA plans to submit an application for certification at the Platinum level in 2019 and to undertake Excellence Canada's rigorous assessment process. CFHA's commitment to continuous improvement and to excellence means that the Agency will never rest on its past successes and achievements. CFHA will continue to challenge its practices and innovate to remain at the forefront of service excellence.

All of the above will position us well to build the portfolio of the future.

Distribution of funds

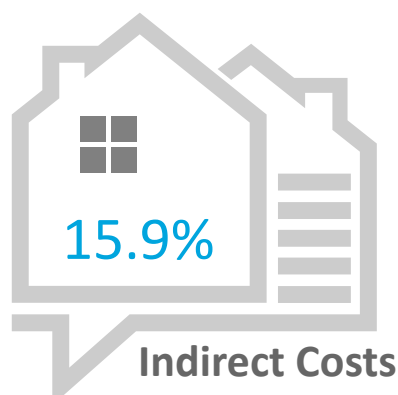


43.2% **Capital and Betterment**
New construction and recapitalization, or work completed to improve an asset

18.7% **Life cycle and Maintenance**
Activities that maintain the useful life of the asset or its components (e.g. roof replacement, siding replacement, furnace replacement)

10.7% **Repairs**
Activities that address breakages of the asset, response to failures, or unforeseen events (e.g. concrete repairs, electrical repairs, plumbing repairs, heating, ventilation and air conditioning repairs)

11.5% **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



7.8% **Operational Salaries**
Salaries for Housing Services Centre personnel

5.4% **Corporate Salaries**
Salaries for Head Office personnel

2.0% **Corporate Overhead**
Lease and utilities, supplies, training, professional services, travel for Head Office employees, market studies, and strategic site plans

0.7% **Housing Services Centre Overhead**
Recurring activities required in running site offices (e.g. office lease and utilities, supplies, training, and travel for Housing Services Centre employees)

Financial statements

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2019, and all information contained in these statements rests with the management of CFHA. These financial statements have been prepared by management in accordance with the accounting policies set out in Note 2 of the statements, on a basis consistent with that of the preceding year.

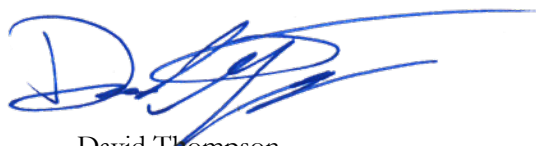
Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities,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

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

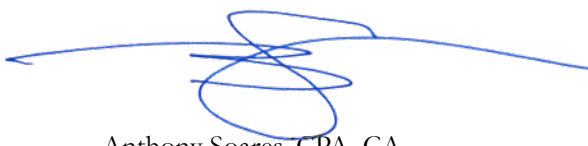
Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that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

The CFHA financial statements have not been audited.

Approved By:

A blue ink signature of David Thompson, consisting of a large 'D' followed by stylized initials.

David Thompson
Chief Executive Officer
Canadian Forces Housing Agency

A blue ink signature of Anthony Soares, featuring a circular loop followed by a horizontal line.

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

Statement of Financial Position (Unaudited)

As of March 31

(in thousands of dollars)	2019	2018
Assets		
<i>Financial Assets</i>		
Accounts Receivable (Note 4)	73	101
	73	101
<i>Non-Financial Assets</i>		
Tangible Capital Assets (Note 5)	408,440	368,489
	408,440	368,489
Total	408,513	368,590
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	78,009	34,280
Vacation Pay and Compensatory Leave	1,061	980
Employee Future Benefits (Note 8)	956	999
	80,026	36,259
Equity of Canada	328,487	332,331
Total	408,513	368,590

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)	2019	2018
Operating Expenses		
Maintenance and Repair	61,051	55,991
Salaries and Employee Benefits	21,226	21,588
Professional and Special Services	12,877	13,786
Amortization (Note 5)	11,043	9,654
Utilities, Materials and Supplies	7,344	6,655
Accommodation	4,767	4,964
Other Services	1,515	1,618
Travel and Relocation	750	1,025
Expenses Related to Tangible Assets (Note 5)	468	952
Equipment and Other Rentals	121	148
Loss on Disposal		103
Communication	27	29
Advertising, Printing and Related Services	13	19
Other	13	13
Bad Debts	(499)	(4)
Total Operating Expenses	120,716	116,541
Revenues		
Shelter Charges	95,593	94,480
Miscellaneous Revenues (Note 6)	6,522	6,140
Total Revenues	102,115	100,620
Net Cost of Operations	18,601	15,921

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)	2019	2018
Equity of Canada, beginning of year	332,331	292,460
Net Cost of Operations	(18,602)	(15,921)
Current Funding Used (Note 3)	56,212	68,897
Change in Net Position in the Consolidated Revenue Fund (Note 3)	(43,217)	15,068
Services Received Without Charge from Other Government Departments (Note 9)	1,763	1,964
Equity of Canada, end of year	328,487	332,331

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)	2019	2018
Operating Activities		
Net Cost of Operations	18,602	15,921
<i>Non-Cash Items</i>		
Amortization of Tangible Capital Assets (Note 5)	(11,043)	(9,654)
Services Provided Without Charge by Other Government Departments (Note 9)	(1,763)	(1,964)
Disposals and Transfers of Tangible Capital Assets		(103)
<i>Variations in Statement of Financial Position</i>		
Increase (decrease) in Accounts Receivable	(28)	28
(Increase) decrease in Liabilities	(43,767)	(15,402)
Cash Used by Operating Activities	(37,999)	(11,174)
Capital Investment Activities		
Acquisitions of Tangible Capital Assets (Note 5)	50,994	65,001
Cash used by Capital Investment Activities	50,994	65,001
Net Cash Provided by Government of Canada	12,995	53,827

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

Notes to the Financial Statement (Unaudited)

1. Authority and purpose

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

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

2. Summary of significant accounting policies

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

(a) Net voting authority

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

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

(b) Net cash provided by Government of Canada

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

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

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

(d) Revenues

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

(e) Expenses

Expenses are recorded on the accrual basis:

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

(f) Employee future benefits

i. Pension benefits

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

ii. Severance benefits

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

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

(g) Accounts receivable

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

(h) Tangible capital assets

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

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

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

(i) 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)	2019	2018
Net Cost of Operations	18,602	15,921
Adjustments for items affecting Net Cost of Operations but not affecting Funding:		
Amortization of Tangible Capital Assets (Note 5)	(11,043)	(9,654)
Vacation Pay and Compensatory Leave	(81)	(69)
Employee Severance Benefits	43	(77)
Adjustment to Previous Year's Accounts Payable	(53)	(168)
Services Provided Without Charge by Other Government Departments (Note 9)	(1,763)	(1,964)
Disposal and Transfer of Tangible Capital Assets		(103)
Other	(486)	9
	5,219	3,895
Adjustments for items not affecting Net Cost of Operations but affecting Funding:		
Acquisitions of Tangible Capital Assets (Note 5)	50,994	65,001
Current Year Funding Used	56,213	68,896

b) Reconciliation of net cash provided by Government to current year funding used

(in thousands of dollars)	2019	2018
Net Cash Provided by Government	12,995	53,827
<i>Revenue not available for Spending</i>		
<i>Change in Net Position in the Consolidated Revenue Fund</i>		
(Increase) Decrease in Accounts Receivable	28	(28)
(Decrease) Increase in Accounts Payable, Accrued Liabilities	43,728	15,255
Adjustment to Previous Year's Accounts Payable	(53)	(168)
Other Adjustments	(486)	9
	43,217	15,068
Current Year Funding Used	56,212	68,896

4. Accounts receivable and advances

(in thousands of dollars)	2019	2018
Receivables from Other Federal Government Departments and Agencies	9	6
Receivables from External Parties	177	707
Gross Accounts Receivable	186	713
Less: Allowance for Doubtful Accounts on External Receivables	(113)	(612)
Total	73	101

5. Tangible capital assets

Tangible Capital Assets					
(in thousands of dollars)	Opening Balance	Acquisitions	Transfer	Disposals	Closing Balance
Residential Houses	255,380		25,622		281,002
Work in Progress	181,051	50,994	(25,622)	-	206,423
Total Tangible Capital Assets	436,431	50,994	-	-	487,425

Accumulated Amortization				
(in thousands of dollars)	Opening Balance	Current Year Amortization	Disposals and Transfers	Closing Balance
Residential Houses	67,941	11,043		78,984
Total Accumulated Amortization	67,941	11,043		78,984

Net Book Value		
(in thousands of dollars)	2019	2018
Residential Houses	202,018	187,439
Work in Progress	206,423	181,050
Total Net Book Value	408,441	368,489

Amortization expenses for the year ended March 31, 2019 is \$11,042,650 (2017/18 - \$9,654,052)

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

CFHA-managed residential housing assets were transferred from DND at the time of CFHA formation with “0” cost value instead of a historical cost of the assets and fully amortized value because the residential housing portfolio was more than 50 years old and there was a lack of accurate cost information dating back to that time.

6. Miscellaneous revenues

(in thousands of dollars)	2019	2018
Recovery of Utility Charges	4,903	4,715
Recovery from Foreign Military Training	1,361	1,228
Others	258	196
Total	6,522	6,139

7. Accounts payable and accrued liabilities

(in thousands of dollars)	2019	2018
Federal Government Departments and Agencies	2,768	2,075
External Parties		
Accounts Payable	72,359	30,073
Remediation Liabilities	579	335
Other Liabilities	2,303	1,797
Total Accounts Payable and Accrued Liabilities	78,009	34,280

Remediation liabilities – contaminated sites

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

The Agency has identified eleven sites where it is obligated to remediate and has recorded a remediation liability of \$579,200 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 2018-2019 expense amounts to \$1,958,307 (\$1,814K in 2017-2018). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2017-2018) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2017-2018) the employee contributions.

(in thousands of dollars)	2019	2018
Pension Expense	1,958	1,814

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)	2019	2018
Accrued Future Benefit Obligation, beginning of year	999	922
Expense for the Year	89	211
Benefits paid during the year	(132)	(134)
Accrued Future Benefit Obligation, end of year	956	999

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)	2019	2018
Employer's contributions to the health and dental insurance plans paid by TBS	1,763	1,964
Total	1,763	1,964

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)	2019	2018
Accounts Payable to Other Government Department and Agencies	2,768	2,075
Total	2,768	2,075

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)	2019-20	2020-21	2021-22	2022-23	2023-24 and thereafter	Total
Project	46,948	6,782	-	-	-	53,730
Operating Lease	4,409	779	867	652	4,369	11,076

Department of National Defence housing locations



Regional Reporting Structure Location and Number of Units

Pacific and Western

- 1 COLD LAKE 703
- 2 COMOX 251
- 3 EDMONTON 504
- 4 Iqaluit 3
- 5 Yellowknife 92
- 6 ESQUIMALT 708
- 7 Masset 7
- 8 MOOSE JAW 174
- 9 Dundurn 28
- 10 SHILO 637
- 11 SUFFIELD 175
- 12 WAINWRIGHT 185
- 13 WINNIPEG 509

Central

- 14 BORDEN 663
- 15 KINGSTON 471
- 16 OTTAWA 145
- 17 NORTH BAY 182
- 18 PETAWAWA 1639
- 19 TRENTON 542

Quebec and Eastern

- 20 BAGOTVILLE 359
- 21 GAGETOWN 1435
- 22 GOOSE BAY 231
- 23 Gander 70
- 24 GREENWOOD 566
- 25 HALIFAX 485
- 26 MONTRÉAL 190
- 27 VALCARTIER 711

Contact us

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

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

Email: cfha-afc@forces.gc.ca

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