

# Seniors and Housing

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Annual Report **2018–2019**

**Note to Readers:**

Copies of the annual report are available on the Alberta Open Government Portal website [www.alberta.ca](http://www.alberta.ca)

**Seniors and Housing**

**Communications**

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## Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contains the consolidated financial information of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Seniors and Housing contains the financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- financial information of entities the ministry comprises, including the Department of Seniors and Housing and the Alberta Social Housing Corporation; and
- other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, which may be separate reports or as a part of the financial information, to the extent that the ministry has any information to report.

In December 2018, government announced changes to the 2018-19 ministry annual reports. Ministry and department audited financial statements previously included in the annual report of the Ministry of Seniors and Housing have been replaced with the financial information of the ministry on pages 23-61.

Key information previously contained in the annual reports of each of the 21 ministries is now included in the audited consolidated financial statements of the province.

## Message from the Minister



The Ministry of Seniors and Housing provides safe and affordable housing for low-income Albertans, and ensures seniors have the resources and care they need.

The ministry provides housing options for more than 110,000 Albertans, including families, seniors and individuals with special needs. We achieve this through our partnerships with other orders of government and civil society organizations, which Albertans wholeheartedly support by leading all provinces in volunteering their time and charitable contributions.

The ministry delivers financial assistance to seniors and raises awareness of issues that some seniors face, such as elder abuse and social isolation. We honour seniors who served their families, friends and coworkers for a lifetime, building Alberta into what it is today, with events including Seniors' Week and the Day of Older Persons in Alberta.

The following report highlights results achieved by the Ministry of Seniors and Housing in the 2018-19 fiscal year.

There are now approximately 605,000 seniors in Alberta, about 14 per cent of the total population. By 2035, the Office for Statistical Information (Treasury Board and Finance) estimates the number of Alberta seniors will nearly double to more than one million, and make up almost one in five Albertans (18 per cent).

Seniors and Housing will continue to develop policies and programs that respond to an aging population. Ministry programs and services will support the growing number of seniors to ensure their safety, well-being and ability to age in their chosen community.

I look forward to working with my government colleagues, ministry staff, and a wide range of civil society organizations to ensure that we meet the needs of seniors and Albertans who require affordable housing.

[Original signed by]  
Josephine Pon

Minister of Seniors and Housing

June 2019

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# Management's Responsibility for Reporting

The Ministry of Seniors and Housing includes the Department of Seniors and Housing and the Alberta Social Housing Corporation.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Seniors and Housing. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including the financial information and performance results. The financial information and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial information are prepared in accordance with the government's stated accounting policies which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's *Budget 2018*.

As Deputy Minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control, which consider costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Seniors and Housing the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

*Susan Taylor*

*Deputy Minister of Seniors and Housing*

*May 24, 2019*

# Results Analysis

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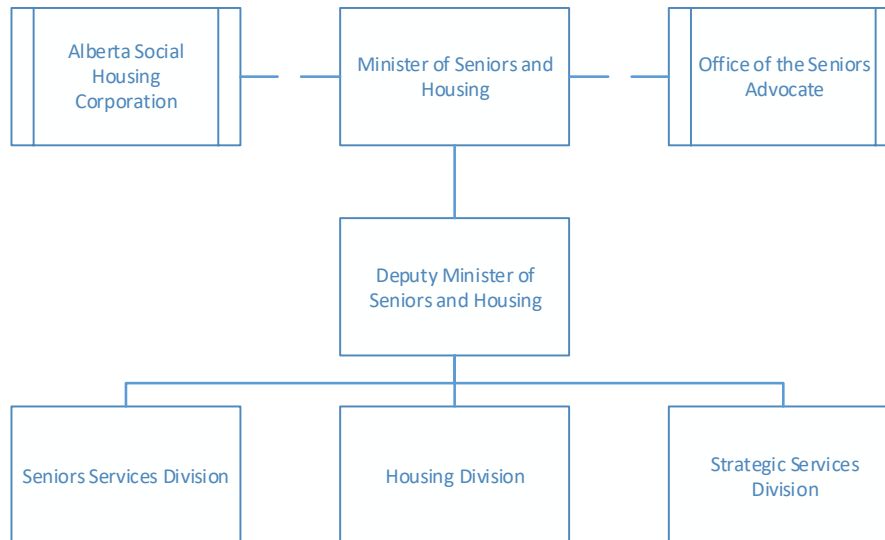
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## Ministry Overview

The Ministry of Seniors and Housing is comprised of the department of Seniors and Housing, as well as the Alberta Social Housing Corporation and the Office of the Seniors Advocate.

The ministry promotes the well-being of and quality of life for Alberta seniors and people in need of affordable housing. It develops and delivers programs and services that assist seniors, and promotes safety and well-being for Alberta's aging population. The ministry fosters the development of affordable housing and supports access to housing options for Albertans most in need.



In 2018-19, Seniors and Housing strived to achieve two outcomes:

- **Outcome One:** Seniors have access to programs, services and supports that help them live safely and independently in their chosen communities.
- **Outcome Two:** Albertans have access to appropriate housing and integrated housing supports.

## Organizational Structure

### Seniors and Housing

#### Seniors Services Division

The Seniors Services Division offers a number of financial assistance programs and services for Albertans aged 65 and over, to support seniors in living independently and to promote their safety and well-being. Programs and initiatives include the Alberta Seniors Benefit, Supplementary Accommodation Benefit, Special Needs Assistance for Seniors, the Seniors Property Tax Deferral Program, and the Seniors Home Adaptation and Repair Program. Utilizing a one-window application approach, the Division also administers enrolment into Alberta Health's dental, optical and drug programs for seniors.

Seniors Services' programs are governed by the following acts: [Seniors Benefit Act](#), [Seniors' Home Adaptation and Repair Act](#), and the [Seniors' Property Tax Deferral Act](#). The associated regulations are the [Seniors Benefit Act General Regulation](#), the [Seniors' Home Adaptation and Repair Regulation](#) and the [Seniors' Property Tax Deferral Regulation](#).

Seniors Services also shares responsibility for the [Health Grants Regulation](#) with the Ministry of Health, which allows for the issuing of grants such as the Aging Well in the Community Grant Program.

As of February 2019, over 605,000 people 65 years and older called Alberta home, which equals approximately 14 per cent of Alberta's population. Alberta's seniors are vibrant members of our communities who are parents, grandparents, mentors, friends, neighbours, employers, employees and volunteers. Alberta's seniors share their knowledge, experience, and time to contribute to the economic well-being and social fabric of the province. The projected population will nearly double to reach almost 18 per cent of Alberta's population by 2035.

### Housing Division

The ministry supports the development of affordable housing and ensures that Albertans in need have access to housing options. Seniors and Housing develops programs that support affordable housing and provides funding to diverse housing providers to deliver housing services to Albertans across the province.

The ministry collaborates with a number of housing providers to serve Albertans. This includes approximately 100 housing management bodies (HMBs), established through Ministerial Order, that operate housing programs for the ministry throughout the province, in addition to more than 350 other types of housing providers.

The ministry is accountable for Alberta's seniors' lodges, social and affordable housing. Housing programs are governed by the [Alberta Housing Act](#) and its regulations: the [Social Housing Accommodation Regulation](#), [Rent Supplement Regulation](#), [Management Body Operation and Administration Regulation](#), [Housing Accommodation Tenancies Regulation](#), and the [Lodge Assistance Program Regulation](#).

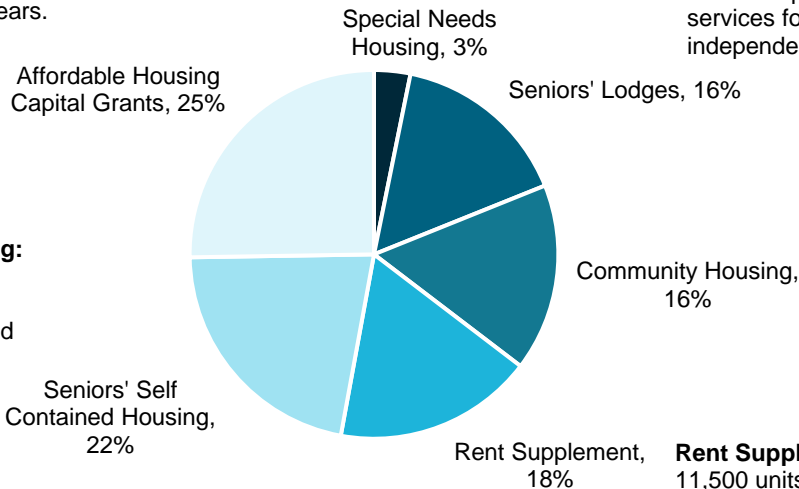
## Number of Units and Type of Housing in Alberta supported by Housing Division

**Affordable Housing Capital Grants:** about 16,575 units. Provincial funding for the capital development of housing units where the owner (private landlord, HMB, etc.) guarantees to rent at least 10 per cent lower than market rates for up to 20 years.

**Special Needs Housing:** about 2,090 units. Housing for individuals and families with special housing needs such as seniors, those with physical disabilities, and victims of family violence.

**Seniors' Lodges:** about 10,325 units. Single- and double-occupancy bed/sitting rooms, with meals, housekeeping and other services for functionally independent seniors.

**Seniors' Self-Contained Housing:** about 14,350 units. Apartment-type dwelling for low- and moderate-income seniors who are functionally independent.



**Community Housing:** about 10,800 units. Subsidized rental housing for low-income families, seniors and individuals with special needs.

**Rent Supplement:** about 11,500 units. Assistance to households in need to obtain and maintain affordable and suitable rental housing.

**TOTAL: about 65,640 units**

### Strategic Services Division

This Division offers support to the rest of the ministry, and includes areas such as strategic policy, corporate services and finances. The division also provides support to the Office of the Seniors Advocate.

## Agencies, Boards and Commissions

### Alberta Social Housing Corporation

The Alberta Social Housing Corporation is a Crown corporation created under the *Alberta Housing Act* that holds social housing assets and distributes funds for housing capital projects and programs. The ASHC owns and administers the province's portfolio of seniors' lodges and social housing (seniors' self-contained, and family and community housing), and manages agreements for its housing assets. The ASHC receives funding from the federal and provincial government to support the subsidization of operators for housing affordability. The Corporation is governed by a board of directors, which is chaired by the Minister. The Deputy Minister of Seniors and Housing is President of the Corporation. Government officials from the Ministry of Seniors and Housing and the Ministry of Treasury Board and Finance also serve on the board.

## Seniors Advocate

The Alberta Seniors Advocate, Dr. Sheree Kwong See, was appointed in 2016. The purpose of the office is to provide resolution support to senior Albertans and their families, analyze trends to identify systemic issues, and make recommendations to the Minister to improve seniors' services and programs.

The Office of the Seniors Advocate provides information to seniors and their families on issues related to government-funded programs, supports and services. The Advocate also advises the government on issues seniors and their families are facing. The Seniors Advocate reports directly to the Minister of Seniors and Housing, and provides the Minister with an annual report summarizing the Advocate's activities in that year. This report is tabled in the Legislative Assembly.

# Discussion and Analysis of Results

## Outcome One

### **Seniors have access to programs, services and supports that help them live safely and independently in their chosen communities.**

Seniors and Housing identified risks that could affect the ability to deliver on this outcome, including changes to funding levels or eligibility requirements, changes to support by other orders of government, and the occurrence of natural disasters.

Changes to funding levels or eligibility requirements for housing or support programs provided by other orders of government could result in pressure for the ministry to adjust current and future commitments. For 2018-19 there were no changes instituted by other levels of government that necessitated such adjustments.

Any changes to supports provided by other orders of government could potentially affect the incomes of Alberta's seniors and impact ministry financial benefit programs. Should the impact be significant enough, it could create an un-resourced demand for ministry benefits and supports over the course of the three-year business cycle. For 2018-19 there were no changes instituted by other levels of government that caused an un-resourced demand for ministry financial benefit programs.

Natural disasters, such as fires and floods, may affect the ministry's ability to focus on planned initiatives as resources are diverted to emergency management and recovery response. In 2018-19 there were no natural disasters that required the ministry to divert resources to emergency management and recovery response.

## Key Strategies

### **1.1 Provide individual and community-based programs and services that support seniors to fully participate in their chosen communities.**

#### **Supporting Independence**

The Ministry of Seniors and Housing supported seniors independence through various programs and services.

- Alberta Seniors Benefit
  - More than 160,000 seniors received benefits from this program in 2018-19.
- Special Needs Assistance
  - Approximately 34,000 seniors received benefits from this program in 2018-19.
- Seniors Home Adaptation and Repair Program
  - This program provided 542 loans and 229 grants in 2018-19.
- Seniors Property Tax Deferral
  - The program provided more than 2,200 low-interest home equity loans in 2018-19.

- Supplementary Accommodation Benefit
  - This program provided benefits to 12,800 seniors in 2018-19.
- Seniors' Self-Contained Housing
  - Operational support was provided to Housing Management Bodies for 14,250 Seniors' Self-Contained Housing units.
- Aging Well in Community grant program
  - The Aging Well in Community Grant Program has provided more than \$1.6 million to 28 community organizations throughout Alberta.

### **Keeping seniors and service providers informed**

To ensure Alberta's seniors are aware of any benefits for which they may be eligible, the Government of Alberta sends all Albertans the Seniors Financial Assistance program information and an application package three months before they turn 65 years of age.

The ministry supports the Grey Matters Conference, which provides education and networking opportunities to front-line staff from agencies and organizations that provide direct supports and services to seniors across the province.

The ministry's Age-Friendly Alberta Newsletter is forwarded to over 1,400 stakeholders across the province to provide consistent, relevant and timely information on ministry programs and other supports for seniors.

### **Preventing and addressing elder abuse**

Preventing and addressing elder abuse is an ongoing priority for the ministry. With the understanding that all sectors and citizens have roles in preventing and addressing elder abuse, Seniors and Housing works with a variety of stakeholders to help Albertans recognize, refer, respond to and reconnect with those impacted by elder abuse.

### **Indexing assistance to inflation**

The ASB, benefits under the SNA program and the disposable income amount used to determine the Supplementary Accommodation Benefit were indexed to inflation using the Alberta Consumer Price Index, as of January 1, 2019.

### **Transportation options**

Transportation helps seniors stay engaged and connected in their communities. The Government of Alberta continues to collaborate with many partners, including the University of Alberta's Medically At-Risk Driver (MARD) Centre, to improve transportation options available to seniors in our province.

### **Facilitating aging at home and in community**

Seniors and Housing is a member of the Federal, Provincial and Territorial (FPT) Ministers Responsible for Seniors Forum. The current forum priorities include exploring the role of accessible and affordable housing and community supports in facilitating aging at home and in community.

## 1.2 Explore approaches to effectively respond to current and future needs of the diverse population of seniors, such as Indigenous, newcomer or LGBTQ2S+ seniors, who reside in the province.

The Ministry of Seniors and Housing used the following tools:

- The FPT Ministers Responsible for Seniors Forum
- Aging Well in Community grants
- Mental Health First Aid Seniors training
- Seniors Advisory Forum

## 1.3 Develop and implement initiatives to address ageism and recognize seniors' vital contributions to the province.

The Ministry of Seniors and Housing addressed ageism and recognized seniors through:

- The FPT Ministers Responsible for Seniors Forum
- Aging Well in Community grants
- Seniors' Week
- Minister's Seniors Service Awards
- Day of Older Persons in Alberta

October 1 is celebrated in Alberta as a day where the contributions of older Albertans are acknowledged, awareness is raised about seniors' interests and concerns, and misconceptions are addressed about older persons and aging.

## Outcome Two

### **Albertans have access to appropriate housing and integrated housing supports.**

Risks identified to delivering on this outcome include changes to funding levels from other orders of government, and the occurrence of natural disasters including fires or floods.

To address funding risks, HMBS are submitting three-year budgets to help anticipate cost pressures and better allocate funding. Leveraging funding from federal, municipal and other partners will extend the provincial contributions. Models such as mixed-income will allow for greater revenues to offset costs and allow for the development and replacement of aging housing stock. In addition, Alberta has signed a bilateral agreement to access federal funding for housing under the National Housing Strategy. This will ensure that Alberta maintains the required flexibility to adapt to changing funding levels or eligibility requirements.

The Housing division has also developed a "Housing Response Protocol" to clearly define the roles and responsibilities in responding to a natural disaster to ensure that ongoing operations are not affected, and to ensure that the division is able to respond appropriately to a disaster event.

## Key Strategies

### **2.1 Continue to work with housing providers, other orders of government and stakeholders to advance the actions of the Provincial Affordable Housing Strategy.**

The Provincial Affordable Housing Strategy implementation was supported through a stakeholder advisory structure that consists of a steering committee and several working groups.

### **2.2 Continue to invest in a sustainable housing system through regeneration, renewal and building a new supply of affordable housing options through collaboration with other orders of government and housing providers.**

Seniors and Housing leads a Collaborative Table on Affordable Housing with Edmonton, Calgary and three other ministries (Community and Social Services, Health and Municipal Affairs) to collaborate on and inform affordable housing matters of common interest, including homelessness.

### **2.3 Implement an affordable housing program to provide affordable housing options for off-reserve Indigenous populations in the province.**

In 2018, the Government of Alberta announced the Indigenous Housing Capital Program and started accepting applications for planning and construction funding. Applications are reviewed quarterly by a cross-ministry panel with representatives from Seniors and Housing, Community and Social Services, Children's Services, Indigenous Relations, Health, and Infrastructure.

### **2.4 Work with the federal government to establish agreements that outline how federal funding will support improved affordability for Albertans, protect and regenerate Alberta's affordable housing portfolio.**

In March 2019, Seniors and Housing negotiated with the Government of Canada to reach a bilateral agreement on federal funding for housing, as described in the National Housing Strategy.

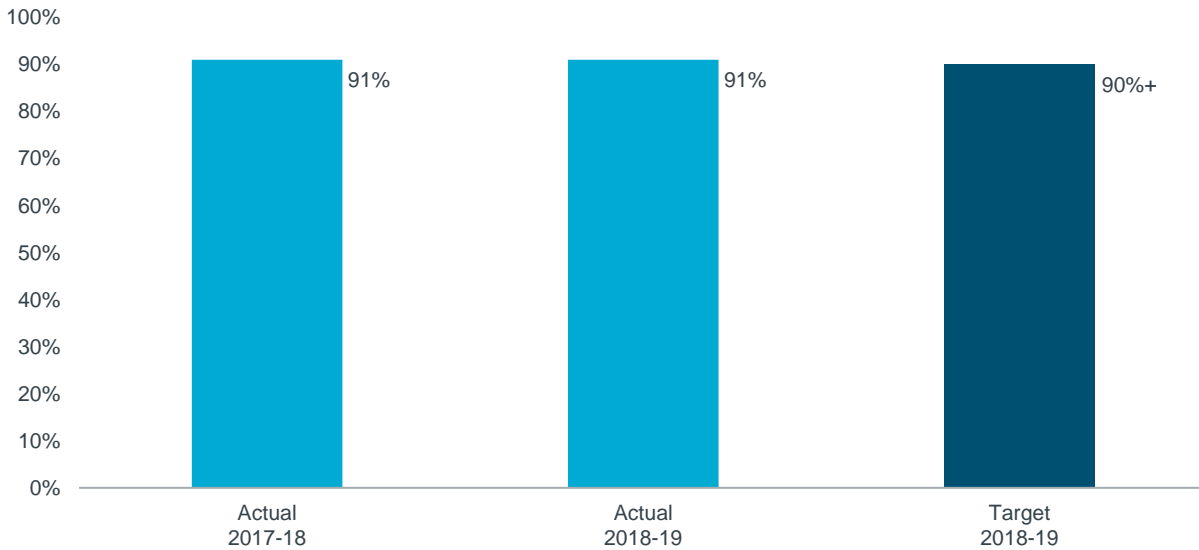
The bilateral agreement will make \$339 million in federal funding available to Alberta between 2019-20 and 2027-28, starting with \$25.4 million in 2019-20. Negotiations continue to support additional funding for the Canada Housing Benefit, set to begin in 2020.



## Performance Measures and Indicators

### Performance Measure 1.a: SHARP Performance Measure

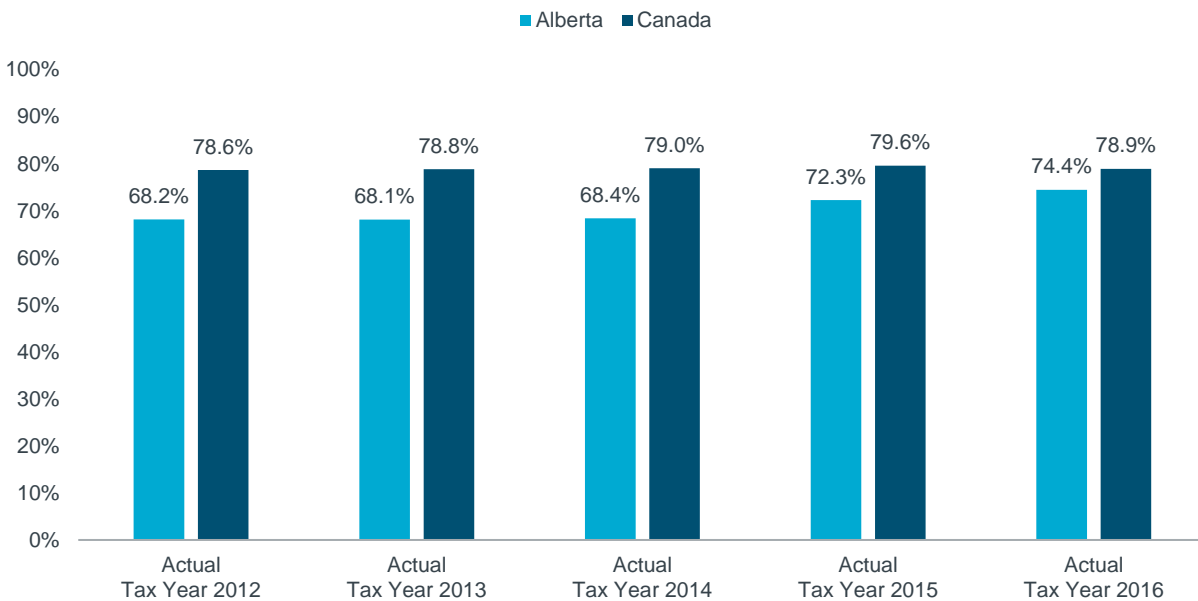
#### Percentage of Seniors Home Adaptation Repair Program (SHARP) Loan Recipients Who Report the Program Will Help Them to Remain in Their Home Longer (Biennial Survey)



The result for the SHARP performance measure in 2018-19 was 91 per cent.

The most common loans funded under SHARP include essential home repairs and adaptations such as home roof repairs, windows, furnaces, and bathrooms.

**Performance Indicator 1.a: Seniors Income Relative to Population**  
**Seniors' median income as a proportion of population median income**

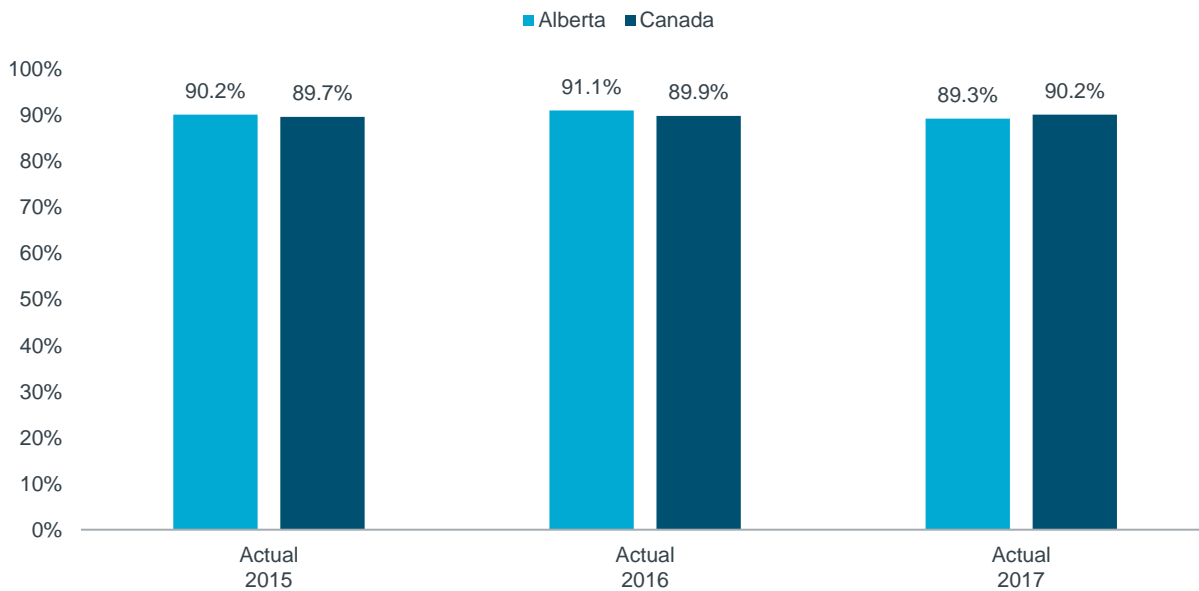


This indicator refers to the median income of seniors as a proportion of the median income of the general population, and looks at how Albertans and Canadians compare in this regard.

Between 2014 and 2015, Alberta's seniors had the greatest year-over-year increase in median income within the previous five years. In 2016, Alberta seniors' median income was 74.4 per cent of the median income of Alberta's population as a whole. Between 2015 and 2016, seniors' median income remained stable, but their median income compared to the general population increased.

Compared to their Canadian peers, Alberta's seniors are observed to have lower income parity with the general population. However, the trend over the last three reporting periods shows that the gap between Alberta seniors' income parity and Canadian seniors' income parity is decreasing. This has resulted from the increases in Alberta seniors' median income while the median income of the general population in Alberta has remained stable or decreased. When 2017 data is available from Statistics Canada, Alberta seniors' median income relative to the general population may show a change due to economic factors affecting the general population.

A large proportion of senior's income comes from federal income sources (Canada Pension Plan (CPP), Old Age Security (OAS) and Guaranteed Income Supplement (GIS)), and if applicable, private pensions and employment income. Seniors and Housing's ASB supplements federal income sources by providing an additional benefit to seniors with low income. The SAB ensures seniors residing in long-term care or designated supportive living have \$322 in disposable income after paying care facility accommodation charges.

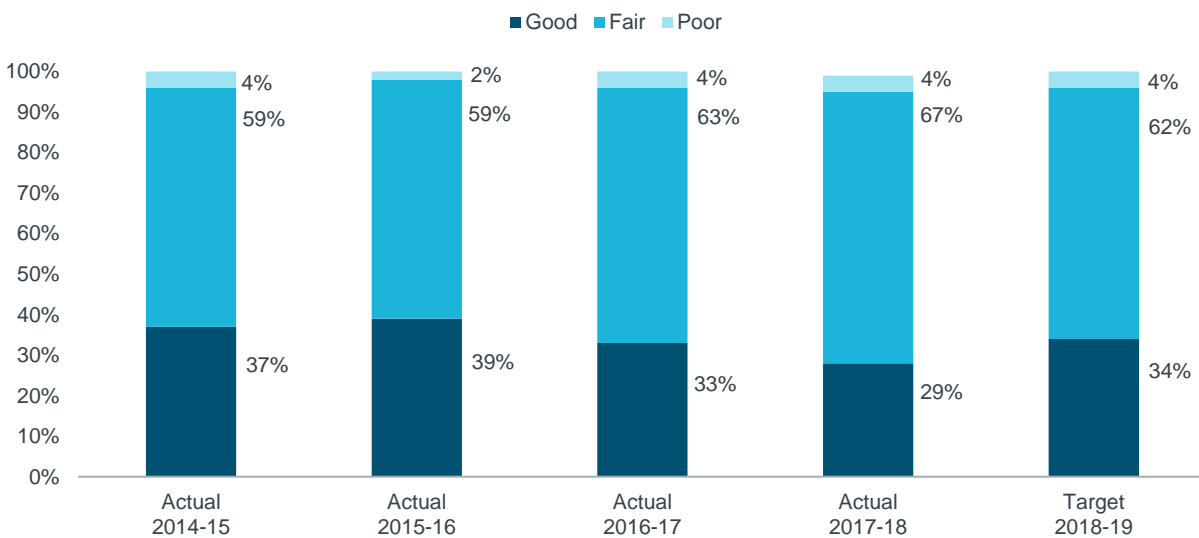
**Performance Indicator 1.b: Seniors' Life Satisfaction****Percentage of Alberta seniors reporting life satisfaction (satisfied or very satisfied)**

This indicator provides insight into seniors' quality of life in Alberta by asking seniors to rate their life satisfaction in Statistics Canada's Canadian Community Health Survey. In 2017, 89.3 per cent of Alberta seniors reported being satisfied or very satisfied with their life, compared to 90.2 per cent of Canadian seniors. Over the last three survey cycles, Alberta has seen a consistent proportion of seniors who self-reported life satisfaction as satisfied or very satisfied.

To support seniors' life satisfaction, the ministry provides programs, services and supports that enable seniors to live safely and independently, contributing to their life satisfaction. Seniors and Housing provides support that enables seniors to age in their chosen community. This includes the Seniors Home Adaptation and Repair Program, which provides low-interest home equity loans and grants for repairs and accessibility modifications; the Seniors Property Tax Deferral Program that helps seniors defer part, or all, of their residential property tax through low-interest home equity loans; and financial assistance is available to seniors with low income through the Alberta Seniors Benefit and Special Needs Assistance for Seniors programs. To highlight the positive images of aging and help address ageism, the contributions of seniors to Alberta is highlighted through initiatives such as the celebration of Seniors' Week, Grey Matters conference, Day of Older Persons in Alberta, and Elder Abuse Prevention. The Minister's Seniors Service Awards recognize the important contribution that volunteers make to support seniors in Alberta.

Seniors and Housing collaborates with government, civil society organizations, and seniors to develop strategic policy initiatives that support seniors in their own community. Specific initiatives include creating age-friendly communities, participation in the FPT Ministers Responsible for Seniors Forum, and providing transportation options through the Medically At-Risk Driver Centre. The Office of the Seniors Advocate also provides information on a number of these initiatives, and provides important guidance on seniors' issues.

**Performance Measure 2.a: Facility Condition  
Housing Facilities- Physical Condition**



Facility Condition Index (FCI) is a common measure across the Government of Alberta for reporting and comparing the physical condition of facilities. The FCI assists Seniors and Housing in rating and prioritizing facility maintenance, regeneration or renewal needs. The measure is most useful when looked at over a period of time. Facility Condition Assessments, which inform the FCI, run on a multi-year cycle, which means that investments made during the current assessment cycle may not affect the FCI until the next cycle.

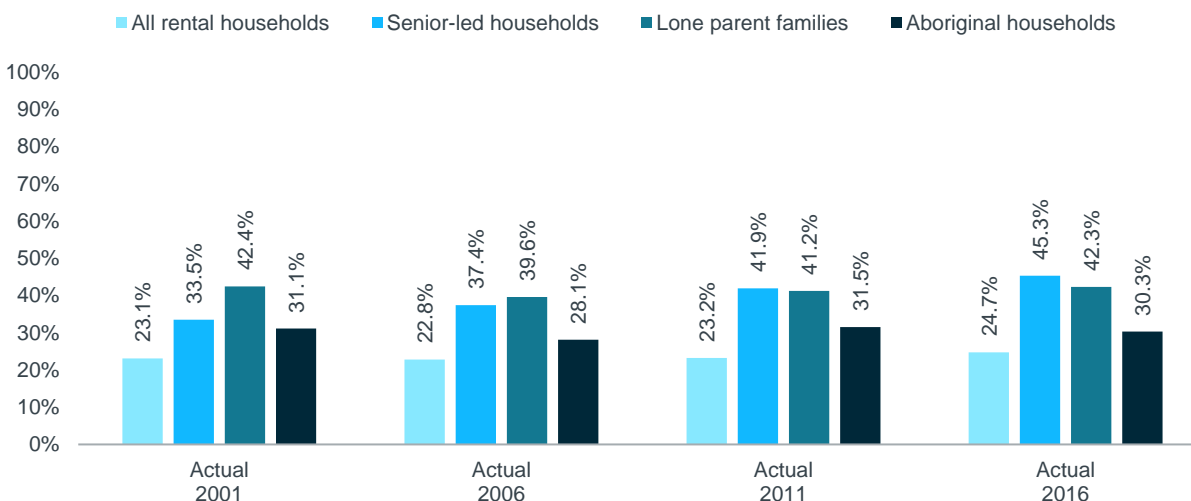
The results for the 2017-18 fiscal year show that facilities in the Good category accounted for 29 per cent of the housing portfolio (by area). Fair facilities are reported to be 67 per cent, while facilities ranked as Poor make up four per cent. Since 2014, there has been a decline in Good facility rankings, while the majority remain in Fair condition. The growing number of Fair-ranked facilities will need to be addressed to ensure Albertans living in affordable housing continue to have quality accommodations.

Most facilities were built in the 1980s, and the aging of the housing portfolio contributes to rising maintenance costs. Seniors and Housing has been increasing funding to maintenance and renewal, and the overall trend should be towards improved condition in coming years. These investments will help improve facilities in need of maintenance, and improve the overall FCI in the future.

The Provincial Affordable Housing Strategy, committed \$1.2 billion to creating new housing and regenerating existing units. For the provision of new and regenerated affordable housing units, \$45 million, \$144 million, and \$16 million have been allocated for Family and Community Housing, Seniors Housing, and Affordable and Specialized Housing respectively. Fifteen projects were completed in 2018-19, with 15 units regenerated and 773 units built.

### Performance Indicator 2.a: Core Housing Need

This indicator provides information on the proportion of Albertans in rental households who are in core housing need.



A household is in core housing need if its housing is unsuitable, inadequate or unaffordable, and if it cannot pay the median rent of alternative local housing that meets all three criteria. Housing is defined as adequate when it does not require major repairs according to its residents; suitable when it has enough bedrooms for the size and make-up of resident households, according to the National Occupancy Standard (NOS); and affordable when its shelter costs represent less than 30 per cent of before-tax household income.

Within Alberta, there is considerable variation across demographic groups. Specifically, among all households, approximately 11 per cent are considered to be in core housing need, but this number rises to nearly 25 per cent when only considering renter households. Within lone-parent renter families, it is observed that 42 per cent are in core housing need, a number that has remained stable. Senior-led renter households in core housing need have increased from 33 per cent in 2001 to 45 per cent in 2016. The Government of Alberta is working to address the important housing needs of seniors by allocating more than a third of government-supported affordable housing to seniors, as the seniors population is expected to nearly double by 2035.

Among Aboriginal renter households living off-reserve, 30 per cent are considered in core housing need. The Government of Alberta is assisting these households through the Indigenous Housing Capital Program, which supports the provision of culturally appropriate housing by Indigenous housing operators and partners. The Government of Alberta is working to reduce core housing need by providing supports for those in need of safe, suitable and affordable housing. Additionally, amendments have been made to the Social Housing Accommodation Regulation (SHAR) to better prioritize Albertans with the greatest need and help ensure they are able to access the housing they require.

## Performance Measure and Indicator Methodology

### Performance Measure 1.a: SHARP Performance Measure

#### Methodology

The survey question the measure is based on is: “To what extent do you agree with the following statement? The SHARP program will help me remain in my home longer”, and includes a five-point response range of strongly agree to strongly disagree. The result reflects those respondents who strongly agree, and somewhat agree. The SHARP survey will be conducted every two years, with the next result to be available in 2020-21.

Numerator: Total number of respondents who strongly agree, and somewhat agree

Denominator: Total number of respondents who answered the question

The number of respondents for the denominator excludes “Don’t know/Don’t remember” responses to ensure that results only reflect those who have an opinion.

#### Source

Data for this measure is collected through a telephone survey of SHARP clients who receive a loan in the benefit year (July 1 to June 30). Grant recipients of the program are not included in the sample. The telephone surveys are conducted by a third-party vendor hired through a Request for Research procurement process.

### Performance Indicator 1.a: Seniors’ Income Relative to Population

#### Methodology

This indicator’s value is calculated by taking the median income of those 65 years and over and dividing by the median income of all ages. Since 2000, this data has been available annually, with a one and a half-year lag. The data is collected annually, with 2017 data expected to be released in summer 2019.

#### Source

Data for this indicator comes from Statistics Canada’s Annual Income Estimates for Census Families and Individuals, which uses tax filer data (the T1 Family File) to produce Table 11-10-0039-01 Tax filers and dependents, seniors with income by source of income and age.

## Performance Indicator 1.b: Seniors' Life Satisfaction

### Methodology

The indicator value is the percentage of those aged 65 years and over who report being satisfied or very satisfied with their lives. Life satisfaction is based on a self-reported score from zero (very dissatisfied) to 10 (very satisfied) for how respondents feel about their life as a whole at that moment. Satisfied or very satisfied represents those who indicate a value of six or more out of 10. The data is collected annually, with 2018 data expected to be released in fall 2019.

### Source

This indicator's data is from Statistics Canada's Canadian Community Health Survey (CCHS). The CCHS data is used to produce Table 13-10-0096-01: Health characteristics, annual estimates.

Note that this indicator previously used two-year period estimates (Statistics Canada. Table 13-10-0113-01: Health characteristics, two-year period estimates.). Annual estimates are being used because this data is available more frequently. The results are comparable to two-year period estimates, but the annual estimates do not include the Territories, and have smaller sample sizes.

## Performance Measure 2.a: Facility Condition

### Methodology

The FCI is the ratio of current and future repair to replacement costs. The FCI is calculated using deferred and projected five-year maintenance costs as the numerator, and the current replacement value as the denominator. Facility Condition Assessments are performed in a multi-year cycle, capturing the physical condition of the facility and its projected maintenance costs. Deferred maintenance is added throughout the cycle automatically. Improvements to repair and maintenance are not captured immediately, but on the next assessment cycle.

The FCI categories are poor, fair and good. Poor represents FCI ratios of greater than 0.40. Fair includes FCI ratios from over 0.15 to 0.40, and good includes facilities with FCI ratios of 0.15 or less. The percentages for each category in the measure are calculated by taking the total area of facilities in each FCI category (good, fair or poor) and dividing by the total area of all audited facilities.

### Source

Seniors and Housing works collaboratively with the Ministry of Infrastructure to develop an inventory listing of all affordable housing facilities' condition evaluations. Infrastructure completes the assessments for each housing asset, assigns the rating, and provides the results to Seniors and Housing after review and approval of the data. Calculations, data administration, and quality control are also within the purview of Infrastructure.

## Performance Indicator 2.a: Core Housing Need

### Methodology

This indicator is based on self-reporting through the Canadian Income Survey-based housing indicators and data developed by the Canada Mortgage and Housing Corporation (CMHC). It is updated every five years with data from the National Census and the National Household Survey.

### Source

CMHC. Table: Characteristics of Households in Core Housing Need: Canada, Provinces, Territories, Census Metropolitan Areas (2001, 2006, 2011). Core housing need data for 2016 was obtained directly from CMHC.



# Financial Information

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# Ministry Financial Highlights

## Statement of Revenues and Expenses (unaudited)

	2019		2018	Change from	
	Budget (Restated)	Actual	Actual (Restated)	Budget (Restated)	2018 Actual (Restated)
	<i>(in thousands)</i>				
<b>Revenues</b>					
Government transfers					
Federal government grants	\$ 112,164	\$ 91,078	\$ 125,986	(21,086)	(34,908)
Investment income	3,492	9,415	4,825	5,923	4,590
Other revenue	10,627	30,569	31,055	19,942	(486)
Ministry total	126,283	131,062	161,866	4,779	(30,804)
Inter-ministry consolidation adjustments		(8,066)	-	(8,066)	(8,066)
Adjusted ministry total	126,283	122,996	161,866	(3,287)	(38,870)
<b>Expenses - Directly Incurred</b>					
<b>Programs</b>					
Ministry Support Services	5,375	5,600	5,328	225	272
Seniors Services	34,583	34,148	33,482	(435)	666
Alberta Seniors Benefit	371,801	390,551	367,756	18,750	22,795
Housing	11,773	12,183	11,206	410	977
Alberta Social Housing Corporation	256,190	284,365	302,998	28,175	(18,633)
	679,722	726,847	720,770	47,125	6,077
<b>Debt Servicing</b>					
Alberta Social Housing Corporation	5,112	5,026	5,354	(86)	(328)
Ministry total	684,834	731,873	726,124	47,039	5,749
Inter-ministry consolidation adjustments		(330)	(13,846)	(330)	13,516
Adjusted ministry total	684,834	731,543	712,278	46,709	19,265
<b>Annual Deficit</b>	<b>\$ (558,551)</b>	<b>\$ (608,547)</b>	<b>\$ (550,412)</b>	<b>\$ (49,996)</b>	<b>\$ (58,135)</b>

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## Revenue and Expense Highlights

### Revenues

- Total revenue for the ministry in 2018-19 was \$131.1 million.
- Transfers from the Government of Canada decreased by \$21.1 million from the budget due to a reduction in funding from the Canada Mortgage and Housing Corporation (CMHC), as part of the Social Housing Agreement schedule and the completion of the Social Infrastructure Fund program.
- Investment income increased by \$5.9 million from the budget due to an increased cash balance in the Alberta Social Housing Corporation (ASHC).
- Other revenue increased by \$19.9 million from the budget, which was primarily due to a transfer from Alberta Health for the Affordable Supportive Living Initiative (ASLI), the reversal of affordable housing grants that did not proceed, and for Housing Management Bodies audit adjustments.
- The inter-ministry consolidation adjustment relates to the internal government transfer from Alberta Health for the ASLI program in the amount of \$8.1 million.

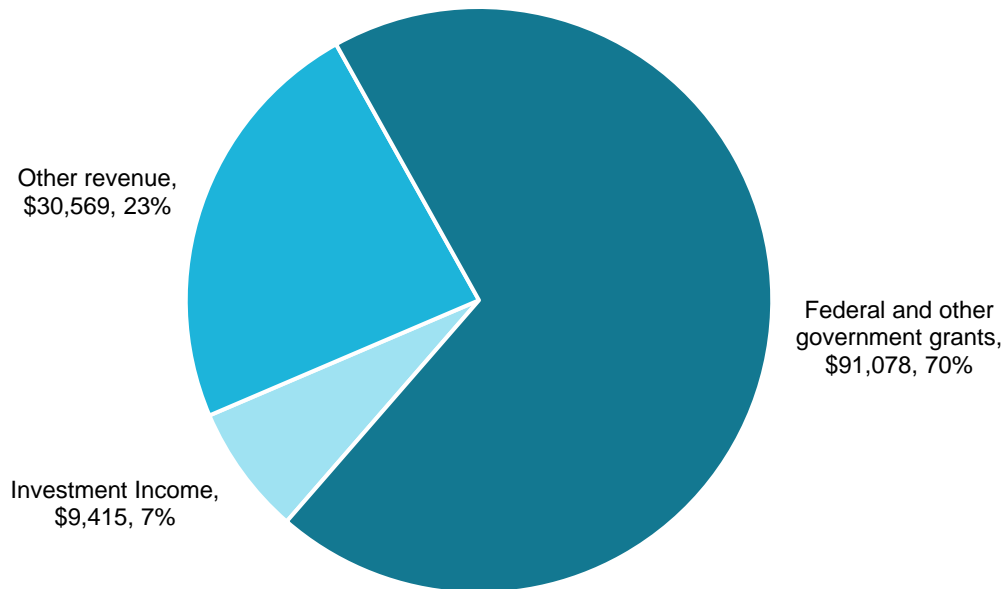
### Expenses

- Total expenses for the ministry totalled \$731.9 million, reflecting an increase of \$47.0 million from the budget and \$5.7 million from 2017-18 actuals.
- Programs such as the Alberta Seniors Benefit and Special Needs Assistance for Seniors (Seniors Services) assist low-income seniors by providing supplemental income and other financial supports. An increased number of seniors have benefitted from these programs, which combined with recent legislation changes indexing the benefit amounts, resulted in an increase of \$18.3 million over budget.
- ASHC's \$28.2 million increase in expenses from the budget was due to one-time funding that was re-profiled from capital investment to fund additional capital grants for non-government owned projects.

## Breakdown of Revenues (unaudited)

	2019		2018
	Budget	Actual	Actual
		<i>(in thousands)</i>	
<b>Federal and other government grants</b>			
Canada Mortgage and Housing Corporation (CMHC) Social Housing Agreement & Investment in Affordable Housing	\$ 112,164	\$ 91,078	\$ 125,986
<b>Investment income</b>	3,492	9,415	4,825
<b>Other revenue</b>			
Recoveries from housing providers		7,794	9,361
Transfer from Alberta Health		8,066	-
Refunds of expenditure	527	8,945	12,639
Contribution from housing providers and third parties		2,509	2,985
Gain on disposal of tangible capital assets	1,200	1,555	2,116
Rental revenue		362	789
Miscellaneous	8,900	1,338	3,165
	10,627	30,569	31,055
<b>Total ministry revenues</b>	<b>\$ 126,283</b>	<b>\$ 131,062</b>	<b>\$ 161,866</b>

**2019 Actual**  
(in thousands)



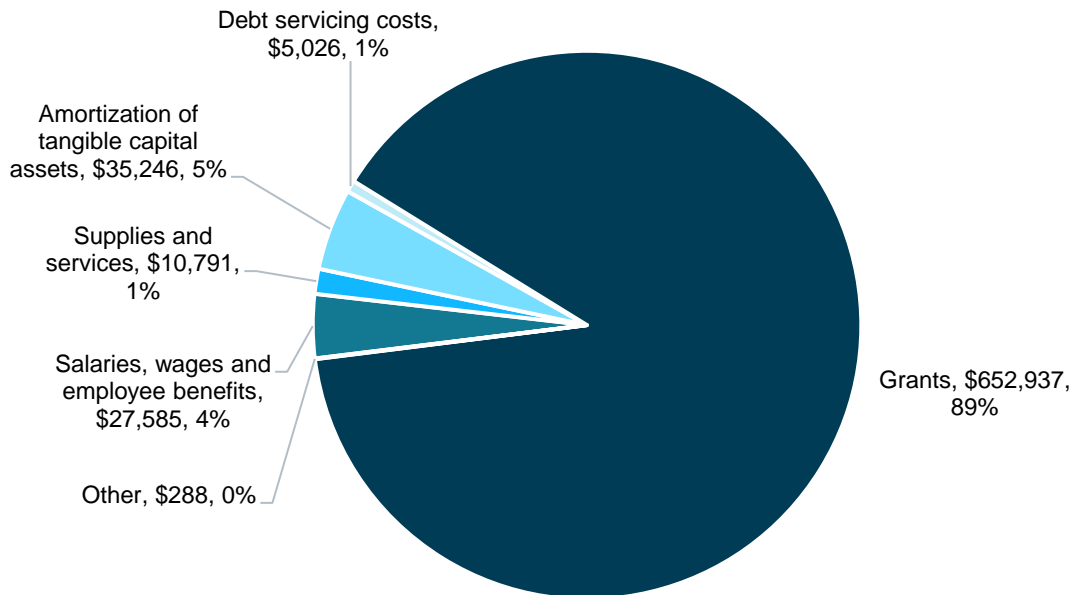
- CMHC funding, the largest contribution to revenue for the ministry, accounted for 70 per cent of total revenue received. Federal government grants for 2018-19 totalled \$91.1 million.
- 2018-19 investment income was \$9.4 million, which accounted for 7 per cent of total revenue for the ministry. This is a \$5.9 million increase from the budget, primarily due to a higher cash balance in ASHC.
- Other revenue includes prior year recoveries of expenses from housing providers and internal transfers from other government departments. This totalled \$30.6 million for 2018-19, accounting for 23 per cent of the revenue recorded for the year.

## Expenses – Directly Incurred Detailed by Object (unaudited)

	2019		2018
	Budget	Actual	Actual (Restated)
		<i>(in thousands)</i>	
Salaries, wages and employee benefits	\$ 27,326	\$ 27,585	\$ 26,189
Supplies and services	10,607	10,791	10,383
Grants	602,396	652,937	633,974
Amortization of tangible capital assets	39,195	35,246	36,193
Debt servicing costs	5,112	5,026	5,354
Transfer of tangible capital assets to other entities		-	13,568
Other	198	288	463
<b>Total ministry expenses</b>	<b>\$ 684,834</b>	<b>\$ 731,873</b>	<b>\$ 726,124</b>

## 2019 Actual

(in thousands)



- The ministry's largest expense was grants, which made up 89 per cent of total expenses. In 2018-19, \$652.9 million was provided to support individuals, organizations and Alberta Social Housing Corporation (ASHC) through grant programs. The largest component of this allocation was the \$409.7 million for the four seniors benefit programs for seniors with low incomes.
- Amortization expenses totalled \$35.2 million and were primarily for the tangible capital assets in ASHC. It is \$3.9 million lower than the budgeted amount due to timing of capital projects.
- Salaries, wages and benefits totalled \$27.6 million, which accounts for 4 per cent of the total operating expenses, primarily used to manage the grants provided to seniors and for housing providers.
- Supplies and services of \$10.8 million consisted primarily of insurance premiums for housing assets, and printing and postage charges related to grants for seniors assistance. This section also includes support for information management systems and department operations.

## Supplemental Financial Information

## Tangible Capital Assets (unaudited)

	Land	Buildings <sup>(1)</sup>	Equipment	Computer Hardware & Software	Other <sup>(2)</sup>	2019 Total	2018 Total
<b>Estimated useful life</b>	Indefinite	10-50 years	3-40 years	3-10 years	3-50 years		
	<i>(in thousands)</i>						
<b>Historical Cost<sup>(3)</sup></b>							
Beginning of year	\$ 167,595	\$ 1,594,618	\$ 99	\$ 5,259	\$ 2,064	\$ 1,769,635	\$ 1,673,902
Additions <sup>(4)</sup>	3,157	110,090	-	984	190	114,421	113,952
Disposals, including write-downs <sup>(5)</sup>	(1,231)	(5,802)	-	-	(1,696)	(8,729)	(18,219)
	<u>\$ 169,521</u>	<u>\$ 1,698,906</u>	<u>\$ 99</u>	<u>\$ 6,243</u>	<u>\$ 558</u>	<u>\$ 1,875,327</u>	<u>\$ 1,769,635</u>
<b>Accumulated Amortization</b>							
Beginning of year	-	802,752	98	3,510	1,379	807,739	774,952
Amortization expense	-	35,072	1	41	131	35,245	36,193
Effect of disposals including write-downs	-	(4,097)	-	-	(1,199)	(5,296)	(3,406)
	<u>-</u>	<u>833,727</u>	<u>99</u>	<u>3,551</u>	<u>311</u>	<u>837,688</u>	<u>807,739</u>
<b>Net book value at March 31, 2019</b>	<u>\$ 169,521</u>	<u>\$ 865,179</u>	<u>\$ -</u>	<u>\$ 2,692</u>	<u>\$ 247</u>	<u>\$ 1,037,639</u>	
<b>Net book value at March 31, 2018</b>	<u>\$ 167,595</u>	<u>\$ 791,866</u>	<u>\$ 1</u>	<u>\$ 1,749</u>	<u>\$ 685</u>		<u>\$ 961,896</u>

(1) Seniors and special needs buildings are amortized over 50 years, community housing buildings over 40 to 50 years, and all other buildings over 10 to 25 years.

(2) Other tangible capital assets include manufactured housing units and trailers.

(3) Historical cost includes work-in-progress at March 31, 2019, totalling \$239,010 comprised of: buildings \$236,556 (2018 - \$230,269) and computer hardware and software \$2,454 (2018 - \$1,470).

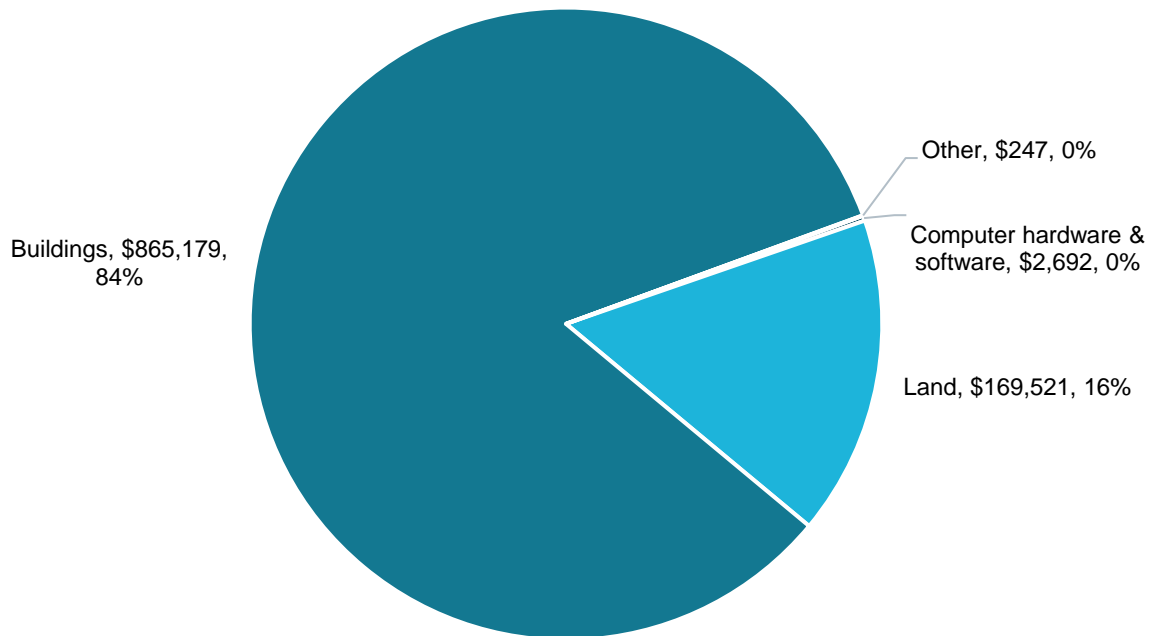
(4) Additions include non-cash acquisitions for donated tangible capital assets totalling \$25 (2018 - \$502). Additions include costs incurred this year totalling \$56,618 (2018 - \$0) for ASHC's proportionate share of co-owned tangible capital assets with various third parties.

(5) Disposals include non-cash disposals totalling \$2,806, comprised of transfers of tangible capital assets to other entities \$0 (2018 - \$13,568) and grant-in-kind \$2,806 (2018 - \$1,120).



## Net Book Value as of March 31, 2019

(in thousands)



- Net book value of buildings providing housing as of March 31, 2019, was \$865.2 million, which accounts for 84 per cent of the total tangible capital assets balance. The total value of the buildings increased by \$73.3 million from the prior year, which is attributed to completion of various housing projects.
- Net book value of land providing housing as of March 31, 2019, was \$169.5 million which accounts for 16 per cent of the total tangible capital assets value. Land increased by \$1.9 million from the prior year, which is attributed to the purchase of two pieces of land for affordable housing projects, including veteran-specific housing.
- Disposal of \$1.2 million in land and \$5.8 million in buildings was mainly due to the nominal sum disposal of housing units to various Housing Management Bodies.
- \$1.7 million disposal in other tangible capital assets was related to the sale of 14 trailers.

# Financial Statements of Other Reporting Entities

## Index of Audited Financial Statements

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## Alberta Social Housing Corporation

### Financial Statements

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## Independent Auditor's Report

To the Minister of Seniors and Housing



### Report on the Financial Statements

#### Opinion

I have audited the financial statements of the Alberta Social Housing Corporation which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Social Housing Corporation as at March 31, 2019, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Alberta Social Housing Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Alberta Social Housing Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alberta Social Housing Corporation's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alberta Social Housing Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Alberta Social Housing Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the

date of my auditor's report. However, future events or conditions may cause Alberta Social Housing Corporation's to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original Signed By]

W. Doug Wylie FCPA, FCMA, ICD.D  
Auditor General

May 31, 2019  
Edmonton, Alberta

# Alberta Social Housing Corporation

## Statement of Operations

Year ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
<b>Revenues</b>			
Government transfers			
Government of Alberta grants	\$ 126,169	\$ 313,182	\$ 273,056
Federal government grants	112,164	91,078	125,986
Donations and other contributions	-	2,509	2,985
Investment income	1,800	7,956	3,922
Other revenue	10,100	15,181	19,823
	250,233	429,906	425,772
<b>Expenses (Note 2(b) and Schedule 1)</b>			
Family Community Housing	86,939	106,152	89,005
Seniors Community Housing	84,511	86,953	113,809
Special Needs Housing	15,702	22,834	25,568
Rental Assistance	67,600	68,034	71,904
Emergency Housing (Note 4)	1,438	392	2,713
Interest on Debt for Social Housing	5,112	5,026	5,354
	261,302	289,391	308,353
<b>Annual surplus (deficit)</b>	(11,069)	140,515	117,419
<b>Accumulated surplus at beginning of year</b>		1,160,450	1,043,031
<b>Accumulated surplus at end of year</b>		\$ 1,300,965	\$ 1,160,450

The accompanying notes and schedules are part of these financial statements.

## Alberta Social Housing Corporation

### Statement of Financial Position

As at March 31, 2019

	2019	2018
	<i>(in thousands)</i>	
<b>Financial assets</b>		
Cash and cash equivalents (Note 5)	\$ 425,591	\$ 419,421
Accounts receivable (Note 6)	138,420	89,446
Loans and advances (Note 7)	21,777	21,984
	<u>585,788</u>	<u>530,851</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 10)	41,030	58,642
Debt (Note 11)	50,694	54,915
Deferred contributions (Note 12)	146,298	152,087
	<u>238,022</u>	<u>265,644</u>
<b>Net financial assets</b>	<u>347,766</u>	<u>265,207</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	<u>1,037,638</u>	<u>961,895</u>
<b>Net assets before spent deferred capital contributions</b>	<u>1,385,404</u>	<u>1,227,102</u>
Spent deferred capital contributions (Note 12)	84,439	66,652
<b>Net assets</b>	<u>\$ 1,300,965</u>	<u>\$ 1,160,450</u>
Contingent assets (Note 8)		
Contractual rights (Note 9)		
Contingent liabilities (Note 14)		
Contractual obligations (Note 15)		

The accompanying notes and schedules are part of these financial statements.



## Alberta Social Housing Corporation

### Statement of Change in Net Financial Assets

Year Ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
<b>Annual surplus (deficit)</b>	\$ (11,069)	\$ 140,515	\$ 117,419
Acquisition of tangible capital assets (Note 13)	(235,140)	(114,396)	(113,450)
Amortization of tangible capital assets (Note 13)	38,968	35,245	36,192
Net gain on disposal of tangible capital assets	(300)	(1,553)	(2,116)
Proceeds on sale/disposal of tangible capital assets		2,230	2,128
Writedowns of tangible capital assets		-	113
Transfer in of tangible capital assets		(25)	(502)
Transfer out of tangible capital assets		2,756	14,688
Net increase in spent deferred capital contributions (Note 12)		17,787	66,652
<b>Increase in net financial assets</b>		82,559	121,124
<b>Net financial assets at beginning of year</b>		265,207	144,083
<b>Net financial assets at end of year</b>		<u>\$ 347,766</u>	<u>\$ 265,207</u>

The accompanying notes and schedules are part of these financial statements.

## Alberta Social Housing Corporation

### Statement of Cash Flows

Year Ended March 31, 2019

	2019	2018
	<i>(in thousands)</i>	
<b>Operating transactions</b>		
Annual surplus	\$ 140,515	\$ 117,419
Non-cash items included in annual surplus:		
Amortization of tangible capital assets (Note 13)	35,245	36,192
Net gain on disposal of tangible capital assets	(1,553)	(2,116)
Writedowns of tangible capital assets	-	113
Transfer of tangible capital assets from other entities	(25)	(502)
Transfer of tangible capital assets to other entities	2,756	14,688
Deferred contributions recognized as revenue (Note 12)	(8,192)	(41,077)
	168,746	124,717
Contributions restricted for operating (Note 12)	-	-
(Increase)/Decrease in accounts receivable	(48,974)	80,540
Decrease in loans and advances	207	8,326
Decrease in accounts payable and accrued liabilities	(17,612)	(16,857)
Cash provided by operating transactions	102,367	196,726
<b>Capital transactions</b>		
Acquisition of tangible capital assets (Note 13)	(114,396)	(113,450)
Proceeds on sale/disposal of tangible capital assets	2,230	2,128
Cash applied to capital transactions	(112,166)	(111,322)
<b>Financing transactions</b>		
Contributions restricted for capital (Note 12)	20,190	51,150
Debt retirement	(4,221)	(3,882)
Cash provided by financing transactions	15,969	47,268
<b>Increase in cash and cash equivalents</b>	6,170	132,672
<b>Cash and cash equivalents at beginning of year</b>	419,421	286,749
<b>Cash and cash equivalents at end of year</b>	\$ 425,591	\$ 419,421

The accompanying notes and schedules are part of these financial statements.

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# Alberta Social Housing Corporation

## Notes to the Financial Statements

March 31, 2019

### Note 1 AUTHORITY AND PURPOSE

The Alberta Social Housing Corporation (the Corporation) is an agent of the Crown in right of Alberta established in 1995 by the *Alberta Housing Act* and operates under the authority of the *Alberta Housing Act*, Chapter A-25, Revised Statutes of Alberta 2000. The Act is administered by the Department of Seniors and Housing.

The mandate of the Corporation is to provide services that facilitate the provision of affordable housing options through community based housing organizations to low-income seniors, families, individuals and those with special needs. The Corporation owns and administers the Crown's portfolio of housing assets and manages provincial debts and intergovernmental agreements associated with those assets. This includes administering the sale of provincially owned properties that are no longer efficient or effective for social housing programs. The Corporation also oversees the provincial commitments and entitlements remaining from discontinued business activities such as mortgages and loan guarantees.

The Corporation is a crown agent of the Government of Alberta and as such has a tax exempt status.

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

#### (a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues, and expenses of the Corporation.

The reporting entity is the Corporation, which is part of the Ministry of Seniors and Housing and for which the Minister of Seniors and Housing is accountable. The other entity reporting to the minister is the Department of Seniors and Housing. The activities of the department are not included in these financial statements. The ministry annual report provides a more comprehensive accounting of the financial position and results of the ministry's operations for which the minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

Note 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

**(b) Basis of Financial Reporting (Cont'd)**

**Revenues (Cont'd)**

Government transfers

Transfers from all governments are referred to as government transfers.

Government transfers are recognized as deferred revenue and/or deferred capital contributions if the eligibility criteria for use of the transfer, or the stipulations together with the Corporation's actions and communications as to the use of transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the Corporation meets the eligibility criteria (if any).

Donations and non-Government contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recognized as revenue in the year received or in the year the funds are committed to the Corporation if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations and non-government contributions are recognized as deferred revenue if the terms for their use, or the terms along with the Corporation's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Corporation complies with its communicated use.

In-kind donations of materials are recognized at fair value when such value can reasonably be determined.

**Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt servicing costs.

# Alberta Social Housing Corporation

## Notes to the Financial Statements (Cont'd)

March 31, 2019

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### (b) Basis of Financial Reporting (Cont'd)

##### Expenses (Cont'd)

Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recognized as expenses when the transfer is authorized, eligibility criteria have been met by the recipient, and a reasonable estimate of the amounts can be made.

##### Valuation of Financial Assets and Liabilities

The organization's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Loans and advances	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Debt	Amortized cost

##### Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Corporation's financial claims on external organizations and individuals, at the year end.

##### Cash and cash equivalents

Cash comprises of cash on hand. Cash equivalents are short-term, highly liquid, investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

##### Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

##### Loans and advances

Loans and advances are recognized at the lower of cost or net recoverable value. Cost includes amounts advanced, accrued interest and other charges, less repayments and subsidies. Loans and advances include mortgages and advances to housing providers to address short-term cash flow needs for specified projects and operating pressures.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

**(b) Basis of Financial Reporting (Cont'd)**

**Liabilities**

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

**Non-Financial Assets**

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets are limited to tangible capital assets.

Tangible capital assets

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Work in progress, which includes facilities and improvements projects and development of information systems is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Note 15 provides a schedule of repayments on the leases.

The cost of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10-50 Years
Computer hardware and software	3-10 Years
Other	5-10 Years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

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# Alberta Social Housing Corporation

## Notes to the Financial Statements (Cont'd)

March 31, 2019

Note 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

**(b) Basis of Financial Reporting (Cont'd)**

**Non-Financial Assets (Cont'd)**

Tangible capital assets (Cont'd)

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of contribution.

When physical assets (tangible capital assets) are gifted or are sold for a nominal sum, the net book value of these physical assets, less any nominal proceeds, are recognized as grants in kind.

**Measurement Uncertainty**

*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Estimates relating to the determination of the Housing Management Bodies accounts receivable recognized/disclosed as \$14,169 (2018 - \$14,124) in these financial statements, is subject to measurement uncertainty. This balance is based on budgeted figures which may not reflect actual audited amounts. It is possible that the actual Housing Management Bodies accounts receivable could vary by as much as two per cent at March 31, 2019, resulting in a difference in the Housing Management Bodies accounts receivable as high as \$300.

**Financial Instruments**

Financial instruments consist of cash and cash equivalents, accounts receivable, loans and advances, accounts payable and accrued liabilities, and debt. They are initially recognized at cost and subsequently carried at amortized cost. Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision and there is no reasonable expectation of recovery. The Corporation does not own any derivatives, portfolio investments or other financial instruments designated in the fair value category and as such has not included a Statement of Remeasurement Gains and Losses.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

**(b) Basis of Financial Reporting (Cont'd)**

**Risk Management**

The Corporation has minimal exposure to credit risk, liquidity risk and interest rate risk due to the nature of its operations. The primary creditors of the Corporation are the Government of Alberta and the federal government. Both governments provide operational support to the Corporation, thus reducing exposure to credit risk. Liquidity risk is minimized given the cash and cash equivalents balance within the Corporation and the annual operational funding provided by the Department of Seniors and Housing for debt repayment. As interest rates on debt are fixed, the Corporation is not exposed to interest rate fluctuation risk because the future cash flows of the debt will not fluctuate with future market interest rate changes.

**(c) Change in Accounting Policy**

The Corporation has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

**Note 3 FUTURE ACCOUNTING CHANGES**

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**  
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**  
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the financial statements.



## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 4**      **PROVINCIAL DISASTER RECOVERY**  
(in thousands)

**2013 Southern Alberta Flood**

The 2013 Southern Alberta Flood was the largest and most complex natural disaster that Alberta had experienced that led to significant recovery and stabilization efforts by the Government of Alberta. The disaster caused major damage to housing and infrastructure in 30 communities, with over 14,000 homes impacted that housed over 30,000 Albertans. The flooding also caused major damage to homes in the Siksika and Stoney Nakoda First Nations communities affecting over 650 homes that housed over 4,100 people.

During 2013-14, the Corporation was assigned responsibility to provide emergency and interim housing for displaced Albertans as well as direct support to Housing Management Bodies that were impacted by the flood. In addition, the Corporation was asked by the Ministry of Indigenous Relations to assist with the provision of emergency and interim housing, as well as inspections, repairs and rebuilds of homes on both First Nations communities. The approved budget to repair and rebuild flood affected homes to provincial health and housing standards on both First Nations totalled \$345 million.

Costs incurred

The costs incurred by the Corporation in response to the flood have been fully offset by the Government of Alberta through the ministries of Municipal Affairs and Indigenous Relations and the Department of Seniors and Housing which will reflect the costs. Neither the costs incurred by the Corporation during the year or the reimbursement are reflected in these financial statements. The amount incurred related to the flood total \$7,576 (2018 - \$25,248). Funds due to or payable from the Corporation reflecting flood related amounts are included in these statements.

**Note 5**      **CASH AND CASH EQUIVALENTS**  
(in thousands)

Cash and cash equivalents consist of:

	2019	2018
Cash	\$ 424,891	\$ 418,265
Cash equivalents	700	1,156
	<u>\$ 425,591</u>	<u>\$ 419,421</u>

Cash includes deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality short term securities with a maximum term to maturity of three years. As at March 31, 2019, securities held by the fund have a time-weighted return of 1.8% per annum (2018: 1.1% per annum). Due to the short term nature of CCITF investments, the carrying value approximates fair value.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 6 ACCOUNTS RECEIVABLE**  
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2019		2018	
	Gross amount	Allowance for doubtful accounts	Net realizable value	Net realizable value
Alberta Indigenous Relations <sup>(a)</sup>	\$ 2,394	\$ -	\$ 2,394	\$ 13,244
Alberta Risk Management Fund <sup>(a)</sup>	4,168	-	4,168	4,507
Canada Mortgage and Housing Corporation	22,731	-	22,731	53,887
Department of Seniors and Housing	91,474	-	91,474	1,128
Housing Providers	14,169	-	14,169	14,124
Other	3,484	-	3,484	2,556
	<u>\$ 138,420</u>	<u>\$ -</u>	<u>\$ 138,420</u>	<u>\$ 89,446</u>

- (a) Costs incurred by the Corporation in response to the 2013 Southern Alberta Flood, have been fully offset through the ministries of Municipal Affairs and Indigenous Relations, Department of Seniors and Housing, as well as the Alberta Risk Management Fund. All flood related funds due to the Corporation totalling \$2,394 (2018 - \$13,244) is from Alberta Indigenous Relations.

**Note 7 LOANS AND ADVANCES**  
(in thousands)

	2019		2018	
	Gross amount	Allowance for doubtful accounts	Net realizable value	Net realizable value
Housing Providers' Reserves <sup>(a)</sup>	\$ 5,135	\$ -	\$ 5,135	\$ 5,127
Rental Assistance <sup>(b)</sup>	14,207	-	14,207	14,327
Other Loans and Advances <sup>(c)</sup>	2,435	-	2,435	2,530
	<u>\$ 21,777</u>	<u>\$ -</u>	<u>\$ 21,777</u>	<u>\$ 21,984</u>

- (a) Housing Providers are provided an advance based on the number of housing units under management in order to address short term operating cash flow requirements during the year. These cash advances can be collected at any time at the discretion of the minister. These funds are required to be replenished by the Housing Providers.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 7 LOANS AND ADVANCES (Cont'd)**  
(in thousands)

- (b) Housing Management Bodies are provided an advance for approximately two months of anticipated annual operational funding requirements to administer the Rental Assistance Program. These cash advances can be collected at any time at the discretion of the minister. These cash advances are replenished as monthly claims are processed.
- (c) Other Loans and Advances includes work-out loans totalling \$688 (2018 - \$783) with repayment terms as follows:

	Principal		Interest		Total payments
2019-20	\$ 99	\$	24	\$	123
2020-21	102		21		123
2021-22	106		17		123
2022-23	110		14		123
2023-24	113		10		123
Thereafter	158		11		170
	\$ 688	\$	97	\$	785

**Note 8 CONTINGENT ASSETS**  
(in thousands)

The Corporation submitted insurance claims where possible assets are being sought. The outcomes from these matters will likely result in recognition of assets. These amounts have not been recognized in the financial statements.

The Corporation is involved in seventy-nine (2018: ninety-two) outstanding insurance claims which will reasonably give rise to the recovery of assets. Of these insurance claims, seventy-nine (2018: ninety-two) have a specified amount of \$2,961 (2018: \$6,052). No (2018: zero) insurance claims have no amount specified.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 9 CONTRACTUAL RIGHTS**

(in thousands)

Contractual rights are rights of the Corporation to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	<u>2019</u>	<u>2018</u>
Contractual rights from operating leases and contracts <sup>(a)</sup>	\$ 969,039	\$ 735,692

- (a) Contractual rights are comprised primarily of future federal funding from Canada Mortgage and Housing Corporation (CMHC) for housing programs and initiatives.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	<u>Total</u>
2019-20	\$ 107,274
2020-21	101,929
2021-22	99,479
2022-23	113,684
2023-24	106,095
Thereafter	440,578
	<u>\$ 969,039</u>

**Note 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 7,514	\$ 4,183
Accrued liabilities - supplies and services	657	2,002
Accrued liabilities - grants	555	22,104
Accrued liabilities - capital	25,869	26,735
Hold back liabilities	5,757	2,969
Other accrued liabilities <sup>(a)</sup>	678	649
	<u>\$ 41,030</u>	<u>\$ 58,642</u>

- (a) Other accrued liabilities is comprised primarily of \$590 (2018 - \$576) for amounts potentially owing to Alberta Risk Management Fund and Housing Management Bodies for open insurance claims.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 11 DEBT**  
(in thousands)

Fiscal year of maturity ending March 31		Effective interest rate <sup>(a)</sup>	2019	2018
Fixed rate debt				
	2019	-	\$ -	\$ 4,221
	2020	9.47%	4,590	4,590
	2021	9.51%	4,939	4,939
	2022	9.58%	5,196	5,196
	2023	9.64%	5,542	5,542
	2024	9.68%	5,498	-
Principal due in:	less than 5 years	9.58%	25,765	24,488
	6 - 10 years	9.72%	24,509	27,706
	11 - 20 years	9.72%	420	2,721
Total debt issued		9.65%	\$ 50,694	\$ 54,915

- (a) The effective interest rate is based on the weighted average of debt issues. The effective rate is the rate that exactly discounts estimated future cash payments through the expected term of the debt to the net carrying amount and includes the effects of interest rate.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 12 DEFERRED CONTRIBUTIONS**  
(in thousands)

	<b>2019</b>	<b>2018</b>
Deferred revenue (a)	\$ 74,035	\$ 79,911
Unspent deferred capital contributions and transfers (b)	72,263	72,176
Spent deferred capital contributions and transfers (c)	84,439	66,652
	<u>\$ 230,737</u>	<u>\$ 218,739</u>

<b>(a) Deferred revenue</b>	<b>2019</b>	<b>2018</b>
Balance at beginning of year	\$ 79,911	\$ 87,258
Cash contributions received/receivable during year	-	-
Less: amounts recognized as revenue	(5,876)	(7,347)
Balance at end of year	<u>\$ 74,035</u>	<u>\$ 79,911</u>

<b>(b) Unspent deferred capital contributions and transfers</b>	<b>2019</b>	<b>2018</b>
Balance at beginning of year	\$ 72,176	\$ 121,408
Cash contributions received/receivable during year	20,190	51,150
Transferred to spent deferred capital contributions and transfers	(20,103)	(66,253)
Transferred to spent deferred capital contributions and transfers in prior years <sup>(i)</sup>	-	(34,129)
Balance at end of year	<u>\$ 72,263</u>	<u>\$ 72,176</u>

<b>(c) Spent deferred capital contributions and transfers</b>	<b>2019</b>	<b>2018</b>
Balance at beginning of year	\$ 66,652	\$ -
Transferred from unspent deferred capital contributions and transfers	20,103	100,382
Less: amounts recognized as revenue	(2,316)	(33,730)
Balance at end of year	<u>\$ 84,439</u>	<u>\$ 66,652</u>

(i) Adjustments are primarily due to reallocation of annual project costs.

# Alberta Social Housing Corporation

## Notes to the Financial Statements (Cont'd)

March 31, 2019

### Note 13 TANGIBLE CAPITAL ASSETS (in thousands)

	Land	Buildings <sup>(a)</sup>	Computer Hardware & Software	Others <sup>(b)</sup>	2019 Total	2018 Total
<b>Estimated Useful Life</b>	Indefinite	10-50 yrs	3-10 yrs	5-10 yrs		
<b>Historical Cost<sup>(c)</sup></b>						
Beginning of year	\$ 167,595	\$ 1,594,618	\$ 5,185	\$ 1,993	\$ 1,769,391	\$ 1,673,657
Additions <sup>(d)</sup>	3,157	110,090	984	190	114,421	113,952
Disposals, including write-downs <sup>(e)</sup>	(1,231)	(5,802)	-	(1,696)	(8,729)	(18,218)
	169,521	1,698,906	6,169	487	1,875,083	1,769,391
<b>Accumulated Amortization</b>						
Beginning of year	-	802,752	3,436	1,308	807,496	774,709
Amortization expense	-	35,072	41	132	35,245	36,192
Effect of disposals including write-downs	-	(4,097)	-	(1,199)	(5,296)	(3,405)
	-	833,727	3,477	241	837,445	807,496
<b>Net Book Value at March 31, 2019</b>	\$ 169,521	\$ 865,179	\$ 2,692	\$ 246	\$ 1,037,638	
<b>Net Book Value at March 31, 2018</b>	\$ 167,595	\$ 791,866	\$ 1,749	\$ 685		\$ 961,895

- (a) Seniors and special needs buildings are amortized over 50 years, community housing buildings over 40 to 50 years and all other buildings over 10 to 25 years.
- (b) Other tangible capital assets include leasehold improvements (amortized over the life of the lease), manufactured housing units and trailers.
- (c) Historical cost includes work-in-progress at March 31, 2019, totalling \$239,010 comprised of buildings \$236,556 (2018 - \$230,269) and computer hardware and software \$2,454 (2018 - \$1,470).
- (d) Additions include non-cash acquisitions for donated tangible capital assets totalling \$25 (2018 - \$502).

Additions include costs incurred this year totalling \$56,618 (2018 - \$0) for the Corporation's proportionate share of co-owned tangible capital assets with various third parties.

## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

**Note 13 TANGIBLE CAPITAL ASSETS (Cont'd)**  
*(in thousands)*

- (e) Disposals include non-cash disposals totalling \$2,806 comprised of transfers of tangible capital assets to other entities \$0 (2018 - \$13,568) and grant-in-kind \$2,806 (2018 - \$1,120).

**Note 14 CONTINGENT LIABILITIES**  
*(in thousands)*

The Corporation is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

The Corporation is named in fourteen (2018: sixteen) claims, the outcome of which is not determinable. Of these claims, thirteen (2018: sixteen) have a total amount claimed of \$18,690 (2018: \$19,196). One remaining (2018: zero) claim has no amount specified. Included in the total indeterminable claims are fourteen (2018: sixteen) claims in which the Corporation has been jointly named with other organizations.

The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.



## Alberta Social Housing Corporation

### Notes to the Financial Statements (Cont'd)

March 31, 2019

#### Note 15 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met. Grants for housing providers approved for future years have been included as a program obligation.

	2019	2018
Obligations under operating contracts, programs and leases <sup>(a)</sup>	\$ 212,957	\$ 277,695
Obligations under capital contracts and grants	287,865	125,066
	<u>\$ 500,822</u>	<u>\$ 402,761</u>

- (a) Obligations for Southern Alberta Flood contracts are excluded as they have been set up as accrued liabilities in the ministries of Municipal Affairs and Indigenous Relations.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Operating contracts and programs <sup>(b)</sup>	Operating leases <sup>(c)</sup>	Capital contracts <sup>(d)</sup>	Capital grants <sup>(e)</sup>	Total
2019-20	\$ 33,401	\$ 1,347	\$ 241,597	\$ 13,617	\$ 289,962
2020-21	30,204	1,347	18,813	1,099	51,463
2021-22	28,650	1,347	11,058	336	41,391
2022-23	25,253	1,347	520	55	27,175
2023-24	22,056	1,347	-	770	24,173
Thereafter	45,443	21,215	-	-	66,658
	<u>\$ 185,007</u>	<u>\$ 27,950</u>	<u>\$ 271,988</u>	<u>\$ 15,877</u>	<u>\$ 500,822</u>

- (b) Primarily grants committed for future years under agreement with Housing Providers that would fund operating supports and amortization costs.
- (c) The Corporation leases land under various leases for the purpose of providing social housing.
- (d) Capital contracts are made up of the Corporation's development projects and capital asset maintenance.
- (e) Amounts committed to housing providers for capital grants.

## **Alberta Social Housing Corporation**

### **Notes to the Financial Statements (Cont'd)**

**March 31, 2019**

**Note 16      COMPARATIVE FIGURES**

Certain 2018 figures have been reclassified to conform to the 2019 presentation.

**Note 17      APPROVAL OF FINANCIAL STATEMENTS**

The Board approved the financial statements of the Corporation.

## Alberta Social Housing Corporation

### Expenses - Detailed By Object

Schedule 1

Year Ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Supplies and services	\$ 7,535	\$ 7,651	\$ 8,432
Operating grants	177,520	183,868	167,647
Capital grants	32,167	57,414	76,855
Debt servicing costs	5,112	5,184	5,546
Transfer of tangible capital assets to other entities	-	-	13,568
Amortization of tangible capital assets (Note 13)	38,968	35,245	36,192
Other	-	29	113
	<u>\$ 261,302</u>	<u>\$ 289,391</u>	<u>\$ 308,353</u>

## Alberta Social Housing Corporation

### Related Party Transactions

Schedule 2

#### Year Ended March 31, 2019

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Department of Seniors and Housing.

The Corporation had the following transactions with related parties reported in the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	2019	2018
	<i>(in thousands)</i>	
Revenues		
Grants		
Transfers from the Department of Seniors and Housing	\$ 305,116	\$ 273,056
Transfers from Alberta Health	8,066	-
	<u>\$ 313,182</u>	<u>\$ 273,056</u>
Expenses		
Grants	-	110
Insurance premiums	5,290	5,236
Other services	56	-
Transfer of tangible capital assets	-	13,568
	<u>\$ 5,346</u>	<u>\$ 18,914</u>
Receivable from		
Alberta Indigenous Relations	2,394	13,244
Alberta Risk Management Fund	4,168	4,507
Department of Seniors and Housing	91,474	1,128
	<u>\$ 98,036</u>	<u>\$ 18,879</u>
Payable to		
Alberta Health Services	1,490	-
Alberta Justice	41	41
Alberta Risk Management Fund	590	530
Alberta Treasury Board and Finance	436	735
Department of Seniors and Housing	-	20
Service Alberta	56	-
	<u>\$ 2,613</u>	<u>\$ 1,326</u>

# Other Financial Information

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## Lapse/Encumbrance (unaudited)

## Department of Seniors and Housing

Year Ended March 31, 2019

(in thousands)

	Voted Estimate <sup>(1)</sup>	Supplementary Supply <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Unexpended (Over Expended)
<b>Program - Operating Expense</b>					
<b>1 Ministry Support Services</b>					
1.1 Minister's Office	\$ 663	\$ -	\$ 663	\$ 768	\$ (105)
1.2 Deputy Minister's Office	725	-	725	772	(47)
1.3 Strategic Corporate Services	4,488	(672)	3,816	3,834	(18)
	5,876	(672)	5,204	5,374	(170)
<b>2 Seniors Services</b>					
2.1 Program Planning and Delivery	6,711	-	6,711	5,761	950
2.2 Special Needs Assistance Grants	23,090	3,600	26,690	25,118	1,572
2.3 Seniors Home Adaptation and Repair	2,000	-	2,000	548	1,452
2.4 Seniors Community Grants	1,801	-	1,801	1,947	(146)
2.5 Seniors Advocate	981	-	981	803	178
	34,583	3,600	38,183	34,177	4,006
<b>3 Alberta Seniors Benefit</b>					
3.1 Program Delivery	5,883	-	5,883	6,741	(858)
3.2 Alberta Seniors Benefit Grants	274,418	13,200	287,618	301,254	(13,636)
3.3 Supplementary Accommodations Benefit	91,400	400	91,800	82,785	9,015
	371,701	13,600	385,301	390,780	(5,479)
<b>4 Housing</b>					
4.1 Program Planning and Delivery	11,679	-	11,679	12,114	(435)
4.2 Assistance to Alberta Social Housing Corporation	126,169	100	126,269	122,169	4,100
	137,848	100	137,948	134,283	3,665
Total	\$ 550,008	\$ 16,628	\$ 566,636	\$ 564,614	\$ 2,022
<b>Lapse</b>					<b>\$ 2,022</b>

	Voted Estimate <sup>(1)</sup>	Supplementary Supply <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Unexpended (Over Expended)
<b>Capital Payments to Related Parties</b>					
<b>4 Housing</b>					
Assistance to Alberta Social Housing Corporation	\$ 182,947	\$ -	\$ 182,947	\$ 182,947	\$ -
<b>Total</b>	<b>\$ 182,947</b>	<b>\$ -</b>	<b>\$ 182,947</b>	<b>\$ 182,947</b>	<b>\$ -</b>
<b>Lapse</b>					<b>\$ -</b>
<b>Financial Transactions</b>					
<b>2 Seniors Services</b>					
Seniors Home					
2.3 Adaptation and Repair	\$ 11,500	-	\$ 11,500	\$ 6,375	\$ 5,125
2.6 Property Tax Deferral	8,200	-	8,200	7,438	762
<b>Total</b>	<b>\$ 19,700</b>	<b>\$ -</b>	<b>\$ 19,700</b>	<b>\$ 13,813</b>	<b>\$ 5,887</b>
<b>Lapse</b>					<b>\$ 5,887</b>

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2018-19 *Government Estimates*.

(2) Per the Special Warrant (No. 001/2019) for *Supplementary Supply* approved on March 29, 2019 (Order in Council No. 084/2019). This disclosure is made pursuant to section 30 of the *Financial Administration Act*.

(3) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

# Annual Report Extracts and Other Statutory Reports

## Public Interest Disclosure (*Whistleblower Protection Act*)

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

- 32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
- (2) The report under subsection (1) must include the following information:
- (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
  - (b) the number of investigations commenced by the designated officer as a result of disclosures;
  - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There were no disclosures of wrongdoing filed with the public interest disclosure office for Seniors and Housing between April 1, 2018 and March 31, 2019.