

Banff Housing Corporation
ORDER OF BUSINESS
BHC Shareholder meeting Town
of Banff Council Chambers **Monday**
May 8th, 2017 at 3:30 p.m.

1.0 CALL TO ORDER

2.0 APPROVAL OF AGENDA

3.0 APPROVAL OF PRIOR MINUTES

- 3.1 Minutes of the May 9th, 2016 meeting of the Banff Housing Corporation Shareholder

4.0 REPORTS

- 4.1 Briefing: BHC 2016 Audited Statements
4.2 Briefing: BHC 2017 Business Plan and Operating Budget
4.3 Briefing: Value of BHC Equity Share

5.0 NEW BUSINESS

6.0 ADJOURNMENT

**MINUTES OF THE BANFF HOUSING CORPORATION SHAREHOLDERS
ANNUAL GENERAL MEETING
Town Hall Council Chamber
Monday, May 9, 2016 at 4:25 p.m.**

SHAREHOLDERS PRESENT

Karen Sorensen	Mayor
Stavros Karlos	Councillor
Brian Standish	Councillor
Grant Canning	Councillor and Acting Mayor
Chip Olver	Councillor
Ted Christensen	Councillor and Deputy Mayor

SHAREHOLDERS ABSENT

Corrie DiManno	Councillor
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ADMINISTRATION PRESENT

Liz Hogg	Banff Housing Corporation Administrator
Kevin Driver	Banff Housing Corporation Board Chair
Tara Johnston-Lee	Municipal Clerk (Recorder)

1.0 CALL TO ORDER

The Mayor called the May 9, 2016 annual general meeting of the Banff Housing Corporation Shareholder to order at 4:25 p.m.

2.0 APPROVAL OF AGENDA**2.1 Meeting Agenda**

BHCS16-1 Moved by Councillor Christensen that the shareholder approve the agenda of the May 9, 2016 meeting of the Banff Housing Corporation Shareholders as presented.

CARRIED**3.0 APPROVAL OF PREVIOUS MINUTES****3.1 Minutes of the May 11, 2015 Meeting of the Banff Housing Corporation Shareholder**

BHCS16-2 Moved by Councillor Standish that the Shareholder adopt the minutes of the May 11, 2016 meeting of the Banff Housing Corporation Shareholder as presented.

CARRIED**4.0 REPORTS****4.1 BHC 2015 Audited Statements**

BHCS16-3 Moved by Mayor Sorensen that the BHC shareholder receive the BHC 2015 audited statements as information.

CARRIED**4.2 BHC 2016 Business Plan and Operating Budget**

BHCS16-4 Moved by Councillor Standish that the BHC shareholder receive the BHC 2016 Business Plan and Operating Budget as information.

CARRIED

4.3. BHC 2016 Equity Share Value

BHCS16-5 Moved by Councillor Canning that the BHC shareholder receive the BHC 2016 Equity Share Value report as information.

CARRIED

5.0 NEW BUSINESS

None received.

6.0 ADJOURNMENT

BHCS16-6 Moved by Councillor to adjourn the May 9, 2016 meeting of the Banff Housing Corporation Shareholder at 4:39 p.m.

CARRIED

Karen Sorensen
Mayor

Tara Johnston-Lee
Municipal Clerk

BRIEFING

Subject: BHC 2016 Audited Statements



Presented to: BHC Shareholder

Date: May 8th, 2017

Submitted by: BHC administrator

Agenda #: 4.1

Please find attached a copy of the BHC's 2016 audited statements. These statements have been approved by the BHC Board (April 19th, 2017) and are provided to the Shareholder as information.

BACKGROUND: The BHC's 2016 audit was completed by KPMG.

ATTACHMENT: BHC's 2016 audited statements.

Submitted By:

Liz Hogg, BHC

Financial Statements of

BANFF HOUSING CORPORATION

Year ended December 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholder of the Banff Housing Corporation

We have audited the accompanying financial statements of the Banff Housing Corporation, which comprise the statement of financial position as at December 31, 2016, the statements of operations, changes in net assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Banff Housing Corporation as at December 31, 2016 and its results of operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 19, 2017
Calgary, Canada

BANFF HOUSING CORPORATION

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash (note 2)	\$ 231,857	\$ 182,545
Accounts receivable (note 3)	21,710	42,992
	<u>253,567</u>	<u>225,537</u>
Tangible capital assets (note 4)	1,482,995	1,478,018
Second mortgages receivable (note 6)	1,021,000	1,021,000
	<u>\$ 2,757,562</u>	<u>\$ 2,724,555</u>
Liabilities and Net Assets		
Current liabilities:		
Bank indebtedness (note 2)	\$ 650,082	\$ 650,082
Due to Town Banff (note 10)	13,924	11,817
Accounts payable and accrued liabilities (note 7)	5,118	5,269
Deposits	2,502	1,752
	<u>671,626</u>	<u>668,920</u>
Deferred revenue (note 6)	1,021,000	1,021,000
Asset retirement obligation (note 5)	45,900	45,900
	<u>1,738,526</u>	<u>1,735,820</u>
Net assets:		
Internally restricted net assets (note 8)	–	–
Net assets invested in tangible capital assets	1,437,095	1,432,118
Unrestricted deficit	(418,059)	(443,383)
	<u>1,019,036</u>	<u>988,735</u>
	<u>\$ 2,757,562</u>	<u>\$ 2,724,555</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

_____ Director

_____ Director

BANFF HOUSING CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2016, with comparative information for 2015

December 31, 2016	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets (deficit)	2016
Balance, beginning of year	\$ 1,432,118	\$ –	\$ (443,383)	\$ 988,735
Acquisition of tangible capital assets	24,777	–	(24,777)	–
Excess (deficiency) of revenues over expenses (note 8)	(19,800)	–	50,101	30,301
	<u>\$ 1,437,095</u>	<u>\$ –</u>	<u>\$ (418,059)</u>	<u>\$1,019,036</u>

December 31, 2015	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets (deficit)	2015
Balance, beginning of year	\$ 1,451,017	\$ 48,872	\$ (528,463)	\$ 971,426
Transfers (note 8)	–	(48,872)	48,872	–
Acquisition of tangible capital assets	1,390	–	(1,390)	–
Excess (deficiency) of revenues over expenses (note 8)	(20,289)	–	37,598	17,309
	<u>\$ 1,432,118</u>	<u>\$ –</u>	<u>\$ (443,383)</u>	<u>\$ 988,735</u>

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
General operations:		
Revenue:		
Fees	\$ 72,610	\$ 70,520
Interest	1,789	1,834
	<u>74,399</u>	<u>72,354</u>
Expenses:		
Wages, management fees and benefits	44,071	42,705
Amortization	19,800	19,829
Professional fees	5,638	10,176
Appraisals	2,015	1,025
Insurance	1,588	1,429
Office supplies, postage and other	1,139	708
Telephone	595	630
Board initiatives	549	–
Advertising and promotion	141	5,333
Repairs & maintenance	–	1,279
Accretion of asset retirement obligation (note 5)	–	460
	<u>75,536</u>	<u>83,574</u>
Deficiency of revenues over expenses from general operations	(1,137)	(11,220)
Property rentals:		
Rental revenue	64,050	62,500
Operating expenses	(15,328)	(23,142)
Interest on bank indebtedness	(17,284)	(10,829)
Excess of revenues over expenses from property rentals	<u>31,438</u>	<u>28,529</u>
Excess of revenues over expenses	<u>\$ 30,301</u>	<u>\$ 17,309</u>

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 30,301	\$ 17,309
Items not affecting cash:		
Amortization	19,800	19,829
Accretion	–	460
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	21,282	(20,015)
Increase (decrease) in amounts due to Town of Banff	2,107	(37,156)
(Decrease) increase in accounts payable and accrued liabilities	(151)	2,090
Increase in deposits	750	–
	74,089	(17,483)
Capital activities:		
Purchase of tangible capital assets	(24,777)	(1,390)
Financing activities:		
Repayment of bank indebtedness	–	(69,523)
Increase (decrease) in cash	49,311	(88,396)
Cash, beginning of year	182,545	270,941
Cash, end of year	\$ 231,857	\$ 182,545

See accompanying notes to financial statements.



BANFF HOUSING CORPORATION

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

The Banff Housing Corporation (the "Corporation") was incorporated as a non-profit organization to provide value priced housing to residents of the Town of Banff, and as such is not subject to income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The Corporation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted interest income is recognized as revenue when earned.

Property sales are recognized based on the completed contract method when ownership of each unit is transferred from the Corporation to each homeowner.

(b) Inventory:

Inventory consists of construction-in-progress, unallocated infrastructure costs, property held for resale, and land held for use in the Corporation's housing projects and is recorded at the lower of cost and net realizable value.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

Unless otherwise noted, it is the Board's opinion that the Corporation is not exposed to significant interest rate, currency, liquidity or credit risks arising from its financial instruments.

(d) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include useful lives of tangible capital assets. Actual results could differ from the estimates made by the Corporation as additional information becomes available in the future.

(e) Tangible capital assets:

Purchased tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. When a tangible capital asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

The costs less residual value of the tangible capital assets are amortized on a declining-balance basis over their estimated useful lives as follows:

Condominiums	25 years
Computer equipment	5 years
Building	30 months

1. Significant accounting policies (continued):

(f) Equity interest:

The Corporation does not record its equity interest upon the sale of the Corporation's property unless the Corporation sells all or any portion of the equity interest in the transaction (see note 9).

(g) Asset Retirement Obligation:

The Corporation recognizes the fair value of an Asset Retirement Obligation ("ARO") in the period in which it incurs a legal obligation associated with the retirement of tangible capital assets. Certain building assets contain some asbestos, and it is the Corporation's practice to, if necessary, remediate any asbestos upon disposal of a tangible capital building asset. The estimated fair value of an ARO is capitalized as part of the related tangible capital asset and depreciated on the same basis as the underlying asset. ARO is adjusted for the passage of time, which is recognized as accretion expense, and for revisions to the timing or the amount of the estimated liability. Actual costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual costs incurred and the liability are recognized in the excess of revenues over expenses when remediation is completed.

2. Cash/bank indebtedness:

	2016	2015
Internally restricted cash (note 8)	\$ -	\$ 1,752
Unrestricted cash	231,857	180,793
	<u>\$ 231,857</u>	<u>\$ 182,545</u>

The Bank of Montreal has authorized a demand operating line of credit to the Corporation in the amount of \$1,000,000 (2015 - \$1,000,000), which includes an overdraft lending account up to \$350,000 (2015 - \$350,000). The line of credit is guaranteed by the Town of Banff and bears interest at the bank's prime rate minus 0.5% (2015 - bank's prime rate minus 0.75%). As at December 31, 2016 there was \$650,082 (2015 - \$650,082) drawn against the line of credit and \$nil (2015 - \$ nil) in overdraft. Internally restricted cash and unrestricted cash generate returns at the bank's prime rate minus 1.80% (2015 - bank's prime rate minus 1.80%).

3. Accounts receivable:

	2016	2015
Amounts outstanding for one year or less	\$ 14,170	\$ 34,583
Amounts outstanding for more than one year	7,540	8,409
	<u>\$21,170</u>	<u>\$ 42,992</u>

4. Tangible capital assets:

	2016	2015
Accumulated	Net book	Net book

	Cost	depreciation	value	value
Land	\$ 1,294,379	\$ –	\$ 1,294,379	\$ 1,294,379
Building, including asset retirement costs	53,677	47,233	6,444	19,333
Condominiums	304,777	124,299	180,478	162,188
Computer equipment	3,707	2,013	1,694	2,118
	\$ 1,656,540	\$ 173,544	\$ 1,482,995	\$ 1,478,018

On July 11, 2003, the Corporation assumed a lease agreement from Government of Canada for two condominium units. The lease is treated as capital in nature as it transferred substantially all the benefits and risks incident to ownership of the property to the Corporation. These contributed assets were recorded at their fair value of \$280,000 on the date of assignment of the lease. Amortization has been recorded on these assets since July 11, 2003.

5. Asset Retirement Obligation:

	2016	2015
Balance, beginning of year	\$ 45,900	\$ 45,440
Accretion expense	–	460
Balance, end of year	\$ 45,900	\$ 45,900

At December 31, 2016, the estimated undiscounted asset retirement obligation was \$45,900 (2015 – \$45,900). This obligation will be settled based on the useful life of the related building asset, which extends to 2017. A discount rate of 2.25% was used to calculate the fair value of the asset retirement obligation.

6. Second mortgages receivable/deferred revenue:

Deferred revenue arose from mortgages receivable with respect to the Middle Springs I housing development in the Town of Banff. The mortgages are registered against the titles of the properties but become due only when the initial owner ceases to reside in the Middle Springs I development. The full amount of the mortgages is recorded as non-current second mortgage receivable and deferred revenue. When a mortgage becomes due, the revenue is recognized.

During the year, the Corporation collected \$nil (2015 - \$ nil) towards second mortgages receivable.

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2016 are government remittances payable of \$201 (2015 – \$85) relating to federal sales taxes.

8. Internally restricted net assets:

During the year, the Corporation transferred \$nil (2015 - \$48,872) from internally restricted net assets to repay a portion of the Corporation's demand line of credit (note 2). The Corporation has a policy to internally restrict second mortgage revenue in excess of \$30,000. During 2016, \$nil of this revenue (2015 - \$ nil) was restricted internally.

9. Investment – equity interest in housing units at cost:

The purpose of the Corporation is to provide value priced housing to long-term residents of the Town of Banff. The Corporation attempts to meet this objective by developing and selling housing units to homeowners at the actual costs required to construct the housing units. The Corporation retains an equity interest in each unit that it sells. This equity interest is determined at the time each unit is initially sold to each homeowner and is calculated as the difference between the fair market value of the unit (determined by an independent appraiser) and the sale price of the unit when it is initially sold to each homeowner.

As at December 31, 2016, there were 183 properties (2015 – 183) in the Corporation's value priced housing portfolio, and the equity interest ranged from 0% to 35% of the fair market value of each property.

9. Investment – equity interest in housing units at cost (continued):

This equity interest is not recognized in the financial statements as the timing and amount of consideration that could eventually be realized by the Corporation for this equity interest is not determinable. However, per the terms of its sublease agreement with sub lessees (homeowners) the Corporation can realize any/all of its equity interest upon any sublease disposition of a Corporation property (sale by sub lessee) if it so chooses.

During 2016 the Corporation acquired no properties (2015 - no properties were acquired) and sold no properties (2015 - no properties were sold).

10. Related party transactions and economic dependence:

There is an agreement between the Town of Banff and the Corporation such that the Town of Banff, which is the Corporation's sole shareholder, administers the Corporation's payroll function. The Corporation used office space owned by the Town of Banff. These services were provided from the Town of Banff to the Corporation at no charge.

As at December 31, 2016 there was an amount of \$13,924 (2015 - \$11,817) payable to the Town of Banff relating to payroll.

The ability of the Corporation to continue as a going concern depends upon its ability to receive funding from the Town of Banff. These transactions were recorded at the exchange amount, which was the amount agreed to between the related parties.

BRIEFING

Subject: BHC 2014 Business Plan & Operating Budget



Presented to: BHC Shareholder

Date: Date: May 8th, 2017

Submitted by: BHC administrator

Agenda #: 4.2

Please find attached a copy of the BHC's 2017 business plan and operating budget.

These documents have been approved by the BHC Board and posted to the Town of Banff [website](#) (They are provided to the Shareholder as information.)

BACKGROUND: N/A

ATTACHMENT: BHC's 2017 business plan
BHC's 2017 operating budget

Submitted By:

Liz Hogg, BHC

UPDATED: April 2017

Banff Housing Corporation —~~2017~~ 2017 Business Plan

Mission/Vision

BHC Vision:

To provide a range of affordable housing options that ensure Banff residents can find a place to call home.

BHC Mission:

Banff Housing Corporation provides and manages a diverse range of quality rental units and equity-restricted & price-restricted homes for residents and retirees of Banff National Park.

Our Guiding principles:

- Banff Housing Corporation adheres to Parks Canada's eligible resident requirements and 100% of our housing units are occupied by people who meet these requirements.
- Adheres to best practices that evolve and strengthen the affordable housing program offered by the Banff Housing Corporation.
 - Ensures affordability of current and future restricted housing inventory in perpetuity
- Provides professional and accountable administration under the direction of the Board of Directors
- Is fiscally responsible
- Collaborates with municipal, community and regional partners
- Communicates relevant housing information to stakeholders and residents in a timely and effective manner.

General Background Overview

The Banff Housing Corporation (BHC) was incorporated in 1993 and is a Not for Profit whose sole shareholder is the Town of Banff (ToB). The BHC operates under its own mandate at arm's length from the ToB. The Board of Directors, who governs the BHC, comprises: five (5) or six (6) public members; and one senior administrative personnel from the ToB and one Town of Banff Council member.

The BHC has one employee (Administrator) whose office is located at the Administrator's home office.

BHC Purpose

The purpose of the Banff Housing Corporation is to help the Town of Banff maintain a healthy and balanced community.

- To manage the current and future homeownership and rental portfolio

The Banff Housing Corporation is bound by the following:

- To operate in a not-for-profit and user pay manner. A user is the individual or organization who benefit(s) from the activity;
- Not to receive subsidy from municipal taxes for the administration of new and existing developments. ~~The BHC will fund the administration of existing developments.~~
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Program Description

The BHC has the 3 (three) following lines of business in its current portfolio

Home Ownership

The BHC has provided home ownership opportunities in order to provide homes within the community of Banff at below market cost for residents of the Town. For the purposes of the **Equity Share Model** this has been defined as housing which is sold at approximately 66-86% of the current market value. With the exception of Middle Springs 2G and Peyto Place, in order to meet the below-market targets the BHC has implemented a unique *Sub-Lease Agreement* whereby the original homeowner paid the total cost of construction and land, as well as operating cost related to the development of the property, and the BHC acquired the equity difference between the aforementioned costs and the appraised market value of the unit. Contingent on the BHC's approval (approval is based upon the BHC Re-Sale Policy) and in order to provide continuing below-market opportunities, the potential purchase cost to a subsequent owner is the same percentage of current market value as originally established.

The Middle Springs 2G development and Peyto Place were sold at eighty percent (80%) of fair market value and the future resale of these properties was tied to the same equity share (80%) and a price restriction of two percent per annum, compounded annually. These developments are referred to as the **Price Restricted Model**.

Rental:

The BHC currently owns two (2) two- bedroom rental properties (Moffat Manor) and one (1) single family home (338 Banff Ave) to date. In 2017 the BHC will also be preparing for the future management of the units in the upcoming Deer Lane project set to open in 2018.

~~In 2014 the ToB announced plans to develop new rental units. Although not yet decided, discussions with the ToB includes the potential of having BHC provide management of this rental property. The use of the NET revenues from the future rental portfolio will apply to the mandate.~~

Middle Springs 1: Second Mortgages

The BHC recovers equity with respect to the collection of Middle Springs 1 second mortgages over time. Second mortgages are due and payable when the original owner of a Middle Springs 1 property either ceases to reside in the property or the property is sold, as of December 31, 2016~~4~~ there remained \$1,021, 000 in deferred revenue relating to Middle Spring 1 second mortgages. To date repayment of these mortgages were used to assist in the purchase of the land on Banff Ave.

BHC Goals/Strategies 2017~~6~~

The Board's intent is to focus on maintaining strong internal governance of the organization while preparing for the addition of new rental units. ~~adapting to the revised mandate and revised staffing.~~

Strategy/Objective: Housing Sustainability

Through the ongoing implementation of the Town of Banff's Housing Sustainability Strategy, the ToB has requested that the BHC work with the Housing Sustainability Manger in developing plans for managing rental units in advance of development of rental properties and well as the future management of the developed properties.

The BHC Board has created two working groups to help establish the management direction and application process for the incoming rental units.

In order to allow the BHC to explore possible new actions while being faithful to BHC's budget; once receiving a proposed work plan from the ToB, BHC will allocate up to 10% of the Administrator's time allocation for work in coordination with the Town related to possible future BHC involvement in rental management. Funding for this work will be allocated from BHC's net revenues related to the BHC rental portfolio.

Key Player: BHC Board / BHC Administrator /Housing Sustainability Manager.

Performance measure: The Administrator will provide updates to the Board on an ongoing basis as the project moves forward regarding property management, rental waitlist and other tasks as determined.

Strategy/Objective: Communications

The Board will review the programs the BHC has in place and identify and fill any gaps that exist. This review will also include an evaluation of the key messaging that the Board would like to convey to the community and BHC homeowners.

Key Player: BHC Board / BHC Administrator/ToB

Performance measure: The Board will review current communications and explore methods to engage and reach members.

Strategy/Objective: BHC – On-going administration & carrying forward with annual calendar items

Continue to provide on-going administrative services, which although not limited to, includes the following: general administration; answering calls/correspondence from homeowners and members of the public; general bookkeeping; administering the Registered Resale List (RRL) and showing RRL homes; preparing agendas/ minute taking for Board meetings; preparing for Shareholder meetings; preparing BHC financial and lease assignment consents; implementing Board/Shareholder policies/procedures; responding to inquiries from outside 3rd parties.

Key Player: BHC Administrator/BoD/ToB

Performance measure: Conducting an annual performance evaluation with Board Chair, ToB HR director and Administrator. Tracking areas of focus for Administrator from previous reviews and creating an ongoing annual workplan

2017 BHC Budget

HOMEOWNER PORTFOLIO REVENUES	2016 BUDGET	2017 BUDGET
RRL Application Fees	1,000	1,000
Administration Fees	47,069	47,069
Adminsitration fee penalties	0	0
Administration Fee Interest	0	0
RRL Fees	15,000	15,000
Consent Fees	3,000	3,250
Subordination Income	500	500
Subtotal	66,569	66,819
HOMEOWNER PORTFOLIO EXPENSES		
Appraisals	1,750	1,400
Advertising	4,000	2,000
Salaries & Benefits	45,000	45,000
Conferences/Training/Travel	1,000	1,000
Office Supplies/Printing/Post	1,500	1,500
Dues and Fees	250	250
Professional Fees and Services	5,000	4,900
Legal	2,500	1,000
Telephone	600	600
Insurance	1,500	1,700
Board Expenses/Initiatives	1,000	1,000
Equipment	0	0
Sub-Total	64,100	60,350
Portfolio Surplus/Deficit	2,469	6,469
RENTAL		
Moffat Manor		
Rental Income	25,200	32,250
Condo Fees	6,113	5,500
Maintenance Expenses	1,000	3,000
Legal fees for new sublease (new 2017)	0	5,000
property tax (new 2017)	0	4,500
Vacancy Allowance	0	1,600
Moffat Manor Subtotal	18,087	12,650
338 Banff Ave		
338 Banff Ave rental revenue	38,400	38,400
338 Banff Ave professional Fees	0	0
338 Banff Ave Legal Fees	0	0
338 Banff Ave Maintenance	1,000	1,000
338 Banff Ave Property Tax	8,000	8,000
338 Banff Ave Loan Interest	10,000	15,000
338 Banff Ave Insurance	1,000	1,000
338 Banff Ave other and land development	0	0
338 Banff Ave Subtotal	18,400	13,400
OTHER		
Interest Income	2,500	2,000
Total Revenue	132,669	139,469
Total Expenses	91,213	93,850
Surplus/Deficit	41,456	45,619

BRIEFING

Subject: Value of BHC Equity Share



Presented to: BHC Shareholder

Date: May 8th, 2017

Submitted by: BHC administrator

Agenda #: 4.3

ISSUE: Please find attached a table showing the 2017 residential assessed values for BHC developments. The source information for this report is obtained from the current 2017 Tax Roll information.

BHC portfolio

The assessed value of the BHC's equity share portfolio has increased to \$104,083,600 from \$101,808,440 (2016) or 2.3%. The assessed value of the BHC's price restricted portfolio has increased to \$10,876,100 from \$10,428,600 (2016) or 4%. The assessed value of the entire BHC portfolio has increased to \$117,959,700 from \$112,237,040 (2016) or 5%.

Residential Assessment	2012	2013	2014	2015	2016	2017
BHC Equity Share	\$94,535,560	\$94,733,440	\$95,452,870	\$99,476,710	\$101,808,440	\$104,083,600
% change year over year	4.50%	0%	1%	4%	2%	2%
BHC Price restricted	\$9,905,090	\$9,955,010	\$10,035,430	\$10,309,500	\$ 10,428,600	\$ 10,876,100
% change year over year	0.90%	0.50%	0.80%	2.70%	1%	4%
Total BHC portfolio	\$104,440,650	\$104,688,450	\$105,488,300	\$109,786,210	\$112,237,040	\$117,959,700
% change year over year	4%	0%	1%	4%	2%	5%

¹ **Note:** when this figure was presented in 2014 it included the value of 31 Fairholme Drive. This home is not part of the BHC equity as the BHC equity share was bought out in 2005.

BHC Portfolio	2016 Average Assessed Value	2016 Average Assessed Value
Equity Share properties	\$638,905	\$603,595
Price restricted properties ²	\$484,030	\$462,635

² Price restricted properties are assessed at their market value and not at their price restricted amount

The attached is provided to the Shareholder as information.

ATTACHMENT: Value of BHC's equity share

Submitted By:

Liz Hogg, BHC