

“MENDING WALL”

— *Robert Frost*



ANNUAL REPORT



The Agency for Co-operative Housing
L'Agence des coopératives d'habitation

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Board of Directors

The Agency's six directors come from British Columbia, the Prairies and Ontario. A summary of their individual business experience and other qualifications appears on the Agency's website.

The directors bring the Agency their knowledge of law, finances, public administration, regional economic conditions, government housing programs or co-operative operations. They accepted their nomination from the Co-operative Housing Federation of Canada, the Agency's sole member, because they believe in the overmastering importance of effective public programs that help to provide all Canadians with secure, affordable housing. Together, the directors' expertise and sound judgement enable them to focus the Agency's gaze towards the future, while ensuring that we fulfill our mandate and our service agreement with Canada Mortgage and Housing Corporation.



[Left to Right]
Cameron Gray; Myrna Bentley, Treasurer (on leave);
Maryantonett Flumian; W. Laird Hunter, Q.C., President;
Roger Maloney, Acting Treasurer; Elain Duvall, Vice-President



“Something there is that doesn’t love a wall”



Thermodynamics speaks to the irreversibility of natural processes (when an ice cube melts, the melt water, on its own, will never become ice again; air escapes from an inflated balloon, but does not return to it). Little by little, things slow down.... Without human intervention, things fall apart, including buildings. Even stars grow cold.

The Agency’s staff have banded together to defy entropy and all the other forces allied against the property of our clients. A great deal of the Agency’s work in 2013 had to do in some way with housing co-operatives’ walls, windows, foundations and other capital work, or with their money, which is property in liquid form. Over the year, the labour of our staff helped the Agency’s clients to preserve and improve their property and their performance. In 2013, as a group, Agency clients increased their aggregate contributions to capital reserves by more than nine per cent over 2012, often owing to the urging of the Agency’s frontline staff. Our relationship

managers find their clients most responsive to their arguments when a building condition assessment (BCA) is in hand—pointing out, for example, the need for a new elevator to replace worn-out equipment. “A BCA is the best motivator,” one relationship manager commented.

Many operational matters no longer pose as much of a challenge as they once did. Most of our clients have learned to file their annual information returns on time, although they may be late with some back-up documents. Many co-ops now routinely raise housing charges to meet rising costs (in 2013, by an average of 2.1 per cent, against an inflation rate of 0.9 per cent). These increases provided them with more real dollars to care for their property. While housing-charge arrears and bad debts remained a concern, the median rate of rental arrears and bad debts fell by more than 30 per cent between 2007 (the Agency’s first full year) and 2013. As of the end of the year, a full 90 per cent of our clients



“Something there is that doesn’t love a wall”



had stable or improving vacancy losses relative to local market vacancy rates, improving their operating efficiency.

Even co-operatives that have struggled saw signs of hope over the long term. By the end of 2013, the Agency had prepared 45 financial renewal plans for such clients—plans that showed them how they can repay their workout loans by the end of their operating agreement or qualify for new financing that will take CMHC out of the picture.

Although the Agency acknowledges that “something there is that doesn’t love a wall/ That would have it down” (elves, as Frost hints, or gravity and material degradation, as we suggest), the Agency and our clients have issued a challenge to these powerful forces. What was crumbling can and will be rebuilt, and our clients will find the money through sound operation. Good walls make good neighbours and good co-operatives.

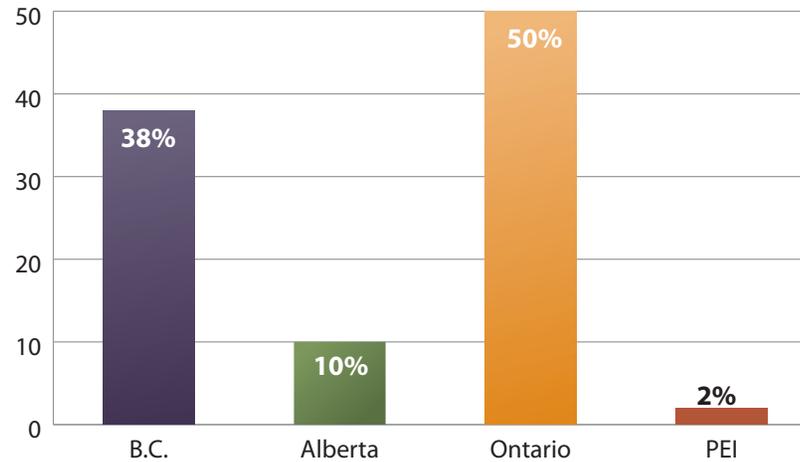


Clients

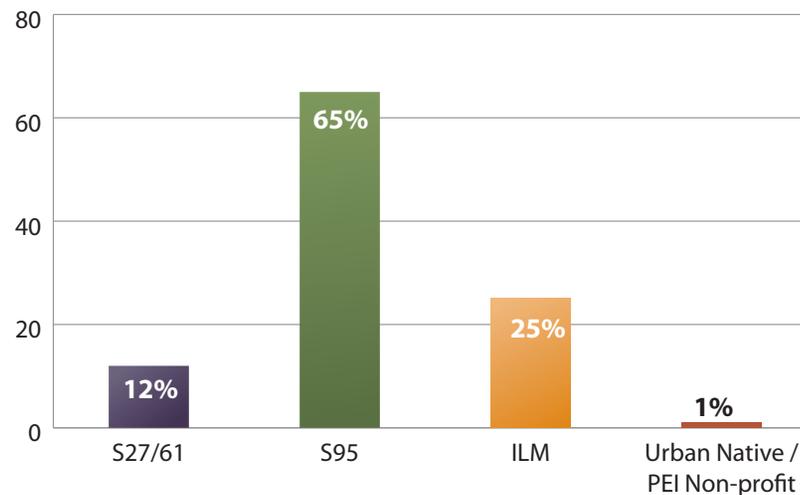
In 2013 the Agency's portfolio grew from 549 housing co-operatives to 554. Their distribution across provinces and housing programs is illustrated below. With the regular arrival of former "leaky co-ops," the number of clients in B.C. is rising.

Regional Distribution of Agency Clients

N.B.: Percentages are rounded, giving a total above 100%.



Percentage of Clients under Each Program



“The Slow Smokeless Burning of Decay”



Even before we first opened our doors, the Agency recognized the risk posed by our clients’ aging properties. Helping clients surmount that risk has been one of our most pressing responsibilities.

Property condition is vitally important in itself; it is also one of the measures the Agency uses to assess our clients’ risk—risk-rating being a principal responsibility under our service agreement with CMHC. While we no longer routinely conduct property inspections for most clients, we have begun to assess their physical condition in other ways.

Strongly urging them to maintain a broad range of insurance protection is another strategy through which we help co-operatives to guard their physical and financial assets. Housing co-operatives have always insured

their property against fire and other perils; in 2013 the largest percentage ever of our clients also carried full liability protection, bonding and coverage against loss of housing charges.

The past year saw several new Agency processes in place or under development. Clients whose agreement with CMHC calls for monthly or quarterly financial reporting now enjoy the ease of completing monitoring reports on line.

The Agency mounted a new website for benchmarking and good practices that enables housing co-operatives to compare their performance with that of selected groups of peers. The website also includes first-hand accounts from co-ops that explain how they achieve superior operational results. An on-line method of budget filing, nearing



“The Slow Smokeless Burning of Decay”



completion, will shortly replace the Agency's spreadsheet tool, which lacked the benefit of integration with our information system.

Looking ahead, we have begun to prepare clients for the approaching conclusion of their CMHC operating agreements. To that end, we will encourage as many as we can to adopt capital-reserve plans and will continue to draw up renewal plans for those with financial workouts in place. In Ontario we will identify a pool of the property managers best qualified to work with these co-operatives. In addition, we plan to develop guidance for all departing clients and to modify our information system to accommodate the end of their operating agreements.

CMHC will undertake its first evaluation of the Agency arrangement in 2014. We look forward to seeing the results. But whatever

they may be, our goal over the next several years will remain the same: to use every means in our power to douse the slow fires of decay that threaten our clients and their property. To support and fortify them in preparation for a future when they will operate free from oversight.



Financial Highlights

		31 December 2013	31 December 2012
ASSETS	Cash	\$ 1,915,558	\$ 2,103,355
	Capital Assets	739,165	696,611
	Other	269,380	206,361
		\$ 2,924,103	\$ 3,006,327
LIABILITIES		\$ 2,322,306	\$ 2,371,584
FUND BALANCES	Operating Reserve	114,540	107,335
	Capital Fund	462,257	527,408
	Special Projects	25,000	
		\$ 2,924,103	\$ 3,006,327
CHANGES IN OPERATING RESERVE		2013	2012
	Revenue	\$ 6,217,131	\$ 6,232,216
	Operating Expenses	(5,935,526)	(6,008,843)
	Transfer to Capital Fund	(274,400)	(220,338)
		\$ 7,205	\$ 3,035



The full financial statements, audited by Marcil Lavallée, have been provided to the Co-operative Housing Federation of Canada and Canada Mortgage and Housing Corporation. Interested persons may view them with the CEO's permission.

Staff



Alexandra Wilson, Chief Executive Officer

Corporate Services

Colin MacDougall, Director, Corporate Services

Iwona Bierylo, Manager, Information Systems
Gail McKenzie, Software Quality Assurance Officer
Sergei Pershukevich, Database Administrator
Stan Piechocinski, Senior Software Developer

Natalie Hartley, Manager, Human Resources
Sirikit Moreau, Co-ordinator, Human Resources and Client Service

Maggie Keith, Communications Officer and Corporate Secretary

Sylvie Moreau, Client Service Champion
Agata Nobrega, Senior Administrative Assistant
Kara Shipman, Senior Administrative Assistant

Lending and Default Prevention Services

Gerry McEvoy, Director, Lending and Default Prevention Services
Jennifer Hobbs, Senior Analyst
Greg O'Neill, Senior Analyst
Nick Van Dyk, Senior Analyst
Grace Zhao, Default Management Officer

Operations

Olga Tasci, Director, Operations

Dave Howard, Manager, Operations (Ontario / PEI)
Bridget Bayliss, Relationship Manager
Margaret Callaghan, Relationship Manager
Jean-Marc Carrière, Relationship Manager
Donna Charbonneau, Relationship Manager
Jacqueline Cooper, Relationship Manager
Jane Davidson-Neville, Relationship Manager
Nicole Scott, Senior Administrative Assistant
Catriona McCallum, Relationship Manager
David Nagy, Relationship Manager
Sandeep Thethy, Relationship Manager
G. Scott Wylie, Relationship Manager

Joanne Mick, Manager, Operations (B.C. / Prairies)
Jennifer Brumwell, Relationship Manager
Angela Cowie, Relationship Manager
Traci Dubeau, Relationship Manager
Cole Dudley, Relationship Manager
Meghan Friesen, Co-ordinator, Information Services
Shawn Preus, Lead Relationship Manager
Payam Ressalat, Relationship Manager
Debbie Saidman, Relationship Manager
Francesca Sorace, Relationship Manager
Lesley Sturrock, Senior Administrative Assistant (B.C.)
Heather Wesenberg, Relationship Manager

Michel St-Denis, Manager, Technical Services
René Boucher, Co-ordinator, Technical Services

Ken Lawson, AIR Help Desk Officer
Larry Lenske, Financial Officer
Eileen Wilke, Financial Officer



Mission, Vision, Values



Our Mission

The Agency administers co-operative housing programs, deploying risk-based strategies, superior information management and client-centred service to safeguard the public's investment and help our government and co-operative partners attain their goals.

Our Vision

The Agency aspires to be a superlative administrator of co-operative housing programs, recognized for its leadership by governments across Canada and valued by housing co-operatives as a partner in their success.



Mission, Vision, Values

Our Values

We hold to these values, which govern our conduct with the general public, our government and co-operative partners, and our employees and other stakeholders.

Respect — We esteem our clients and at all times treat them fairly and with consideration.

Transparency — We promote the open and honest sharing of knowledge and information, while guarding the privacy of individuals.

Trust — We earn the confidence of our co-operative and government partners through exceptional service and consistent performance.

Excellence — We pursue superior results and continuous improvement. Success, for us, is getting the right things done as well as possible.

Innovation — We challenge ourselves constantly to find fresh approaches that will lead to ever-better outcomes for our partners.

Co-operation — We work in concert with our stakeholders to achieve separate but complementary goals.

Accountability — We answer to our government and movement partners for the results we achieve as responsible stewards of the programs entrusted to us.

Sustainability — We look to the future, strengthening our operations, honouring the environment and encouraging our clients to sustain and conserve the properties they hold in common.

