



# Questions and Answers about the Annual Information Return (AIR) for Housing Co-ops

## What is the Annual Information Return (AIR)?

The Annual Information Return is the on-line form your auditor files on your behalf with the Agency for Co-operative Housing. Several back-up documents accompany the filing:

- your audited financial statements for the fiscal year
- the co-operative's representations, where the co-op answers questions about its operations
- a certification from the co-operative confirming that the information given is correct
- for co-ops with a Section 95 operating agreement, an ITA reconciliation showing how they used their income-tested assistance over the year.

## Why is an AIR needed?

The information return allows us to

- collect financial data to use in assessing each co-op's financial health, and
- monitor co-ops' compliance with their agreements with Canada Mortgage and Housing Corporation (CMHC).

The AIR restates information from the audited financial statements in a standard format. This means we can use automated tests to assess each co-op client and share our findings with the co-op. We also use the data to look at the collective health of our clients.

## How does our co-op benefit from the AIR?

The AIR allows for a deeper analysis of your operations, helping us identify any problems that need your attention.

Co-ops generally want to hear about how well they are doing and what they need to work on. We use the AIR to produce reports showing each co-op its results in key areas, how it is trending over time, and how it compares with other co-ops. Our reports can help a co-op recognize, for example, how much it is investing in repairs and replacements, compared with its peers.

The Agency also offers client co-operatives access to our [HomeRun website](#), where co-ops can compare themselves with their chosen peers and learn from one another's successes.

Finally, the AIR gives the Agency a way to tell whether co-ops are following their agreements with CMHC without asking co-ops to host routine client visits, saving staff and volunteers time and stress. The Agency visits co-op clients only as an invited guest or if special concerns emerge.

## What Agency reports do co-ops get?

The Agency completes a series of reports after the AIR and all supporting documents have been filed and we have accepted them. We send the reports to the co-op and post them to our secure client website, so that a co-op can easily find them at a later time.

**Risk Report:** The Agency uses three main tests to assess what risks a co-operative faces. The

first test is a physical-condition rating based on a visual property inspection of each co-op every three years. The second and third tests make use of financial data provided through the AIR. The risk rating we assign to the co-op is based on these three tests, combined with other information we have about the co-op and its local housing market. A rating of Low or Moderate risk shows that your co-op has been operating well. A rating of Above-Average or High tells us that your co-op needs attention. For the details, please see our [Q&A about Risk Rating](#) on our website.

**Compliance Report:** After we accept the AIR, we send the co-op a report pointing out where it may be falling short of its obligations under its agreements with CMHC and explaining how to correct the problem. Where a co-op is meeting all requirements, we send a letter confirming this, in place of a report.

**Performance Report:** This report assembles information on your co-op's performance in key areas over the last three years and shows how you compare with other co-ops.

**Plain-Language Financials:** This report, produced by our information system, restates your audited financial statements in a style free of accounting jargon. It says what the co-op owes and owns, where its revenue came from and how it was spent. It also shows how the co-op has done in each of the past five years.

## Who files the AIR?

Your auditor files the AIR on line, on your co-op's behalf and at your direction. The information gathered through the AIR is largely financial.

Your auditor is familiar with it from the audit and knows how to place it on the right lines on the form.

## How does our auditor file the AIR?

Your auditor files the AIR over the Internet. The Agency provides a unique username and password that gives your auditor access to a secure part of the Agency's website. If you change auditors, be sure to let the Agency know.

## What is the deadline for filing the AIR?

The AIR is due four months after the end of your fiscal year. This is the same as the deadline given in your CMHC agreement for sending in your audited financial statements.

## Is our co-op's information safe?

The Agency's information system is accessible only to authorized users. Each co-op has its own password. Co-ops can protect their privacy by keeping their contact information current. This will ensure that messages and information from the Agency go where they should.

## Whom do I contact if I have questions?

If you have questions about the AIR, contact your co-op's relationship manager or rental-assistance officer at the Agency.

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