

2014

ANNUAL REPORT



207-200 Carnegie Dr., St. Albert, AB T8N 5A7

Tel: 780-544-2205

info@StAlbertHousing.com

www.StAlbertHousing.com

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ABOUT ST. ALBERT HOUSING SOCIETY

VISION

Affordable housing for a vibrant and sustainable community.

MISSION

The St. Albert Housing Society provides safe, affordable housing options and services to individuals and families of modest means in St. Albert.

PRIORITY OUTCOMES

- People in St. Albert obtain accommodation that is safe, affordable, and suitable to their needs.
- Housing options are located near transportation, daycare, recreation, education, and community services.
- People have the ability to live in St. Albert close to family, friends, work, and personal networks.
- Stable and affordable housing leads to greater opportunities, improved well-being, and enhanced quality of life for individuals and families.
- People can move into market housing or home ownership in St. Albert.

The St. Albert Housing Society (SAHS) was incorporated as an independent not-for-profit organization under the Alberta Societies Act in 2007. The SAHS is dedicated to expanding the capacity of affordable housing options in St. Albert. The SAHS owns rental properties rented at 15% -20% below market rates, and provides additional rental supplements to eligible individuals as funding permits. Information and referral services are also provided to the community.

The SAHS is funded through a combination of rental revenues, government grants, and donations. Friends of St. Albert Housing Society is the fundraising arm raising contributions from individuals, associations and businesses.

BOARD OF DIRECTORS

St. Albert Housing Society

Chair	David McGreer		
Treasurer	Leo Vilks		
Secretary	Manny Langman		
Director	Duane Clayton		
Director	Mark Garrett		
Director	Les Miller		
Director	Gary Mitchell		
Director	Malcolm Parker		
Director	Kavita Sharma		
Director	Ryan Sweet		
Director	Kelly Wager	Executive Director	Doris Vandersteen

Friends of St. Albert Housing Society

Chair	Gary Mitchell
Vice Chair	Ryan Sweet
Treasurer	Leo Vilks
Secretary	Manny Langman
Director	David McGreer
Director	Malcolm Parker
Director	Kavita Sharma



REPORT FROM THE BOARD CHAIR



Report to the Members assembled at the Annual General Meeting of the St. Albert Housing Society on June 17th, 2015.

The Society focused its efforts this year on HOMEconnection, a program that the Society has developed to reduce the monthly cost of housing to individuals and families in need of financial assistance who have been identified as being especially vulnerable. The goal is to help them transition to market housing within 2 years.

Over the course of the year the Society grew the number of individuals and families on this program from 3 to 11. Funding for this program comes from two sources: Friends of the St. Albert Housing Society and Capital Regional Housing Corporation. The program is indebted to the donors of our sister organization “Friends” and to the support of Capital Regional Housing Corporation.

The Society was able to add two units within Big Lake Pointe to the 15 it already owns for a present total of 17 housing units by drawing on generous corporate donations made over the previous two years. HOMEconnection utilizes these units to provide housing to its program clients. The Society has an agreement in place with its Big Lake Pointe ownership partner to exchange units so that when a unit becomes vacant somewhere in the 79 unit building it can place its HOMEconnection clients there on a priority basis.

The affordable housing units at Big Lake Pointe, 78 in total owned by the Society and its private partner Big Point Development, remained fully rented without vacancy with a long waiting list throughout the year. The Society fielded phone calls daily from callers looking for affordable housing rental accommodation in St. Albert. The Society referred callers to the rental office at Big Lake Pointe, Capital Regional Housing Corporation, City councillors, their MLA and their MP. The demand and need for affordable housing in St. Albert far outstrips the supply.

The Society’s ability to add much needed affordable rental units in St. Albert remains constrained by the fact that it has no land bank, the City has no land itself to develop for housing and has its own land needs that have to be met.

Prioritizing, funding and ensuring the effective delivery of affordable housing continues to prove to be an ongoing challenge for the federal government, the province, municipalities and local housing agencies. As the province implements a new framework for financing affordable housing, the Society will continue to work with the Province, the City and with the available community resources to increase affordable housing options in St. Albert.

I wish to thank City Council and Administration for their support over the past year. We rely heavily on the operating grant that the City provides. The support we receive from individual councillors, both past and present, as well as key administrative personnel at our annual fundraising breakfast goes well beyond civic duty.

I wish to thank all our Board Members for their many contributions and support over the year.

In particular, I would like to thank Doris Vandersteen who retired this year after 7 years as our Executive Director. Many people, when they think of the St. Albert Housing Society, think of Doris. Over the years the two became synonymous. Certainly, no one more than Doris is responsible for the success that the Society has attained since its beginning. On behalf of the Board of Directors, I wish all the best to her in her retirement.

David McGreer

AFFORDABLE HOUSING OPTIONS

St. Albert Housing Society provides safe and affordable housing for individuals and families. In partnership with Big Lake Developments, the Province of Alberta and the City of St. Albert, St. Albert Housing Society was instrumental in the development of a 118 unit mixed market/affordable rental apartment complex: Big Lake Pointe.

St. Albert Housing Society owns 17 mortgage free units in the Big Lake Pointe complex, including several barrier-free units to accommodate individuals with exceptional needs. Rents are currently a minimum of 15% below market rate, and units have been fully occupied since Big lake Pointe opened in 2013.

Our tenants are primarily single parents on limited income, families moving from domestic violence situations, families with inconsistent employment, or student-parents who are upgrading/advancing their education.

Revenues generated from rental income is intended to support financing additional affordable housing options in the future.



HOMEConnection PROGRAM

The St. Albert Housing Society also operates the **HOMEConnection Program**. HOMEConnection is a two-year program geared to individuals and families in transition to more stable housing circumstances. The HOMEConnection Program is made possible entirely from donations and fundraising.

Participants are provided a monthly rental supplement for up to two-years while working with a local service agency to develop a housing and sustainability plan. Developing a housing plan and connecting with community supports are crucial elements in participants achieving independence, enhancing their circumstances, and sustaining long-term results.

About the HOMEConnection Program:

- 2014 was the first year of the HOMEConnection Program with 11 participants.
- 100% of participants are parents, and 67% have children under 5 years of age.
- 100% of our HOMEConnection participants earn less than \$30,000 per year.
- 50% of program participants have moved from domestic violence situations.
- 55% of participants receive income through Alberta Income Support * while they work on their sustainability plan. Over 18% of participants are employed full-time.
- Already, two participants have graduated from the HOMEConnection Program. One participant was accepted in a local Housing Co-operative, and the other participant obtained greater employment and is able to sustain rental payments independently.



*"HOMEConnection has changed my life in all sorts of ways...
I'm able to finish my schooling in a stress-free environment, in a good community,
and my daughter is going to a nice school with good friends.
[St. Albert Housing Society] has allowed me to provide for my daughter in the way I want
and give her a safe and stable environment to grow up in."*

- Current HOMEConnection participant

EVENTS – HOMEstyle BREAKFAST

The HOMEstyle Breakfast is the St. Albert Housing Society's signature event to raise funds for the HOMEConnection program. In 2014, 270 people attended and over \$14,000 was raised.



ST. ALBERT HOUSING SOCIETY

Financial Statements

Year Ended December 31, 2014

(Unaudited)

ST. ALBERT HOUSING SOCIETY

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Year Ended December 31, 2014

(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Members of
St. Albert Housing Society

We have reviewed the statement of financial position of the St. Albert Housing Society as at December 31, 2014 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta
March 30, 2015



CHARTERED ACCOUNTANTS

ST. ALBERT HOUSING SOCIETY

Statement of Financial Position

December 31, 2014

(Unaudited)

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 215,465	\$ 118,273
Accounts receivable	1,259	2,428
Prepaid expenses	4,418	3,924
Deposit	-	226,197
	<u>221,142</u>	<u>350,822</u>
INVESTMENT IN BIG LAKE POINTE JOINT VENTURE (Note 3)	<u>2,637,356</u>	<u>2,400,000</u>
	<u>\$ 2,858,498</u>	<u>\$ 2,750,822</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 23,224	\$ 20,167
Prepaid rent	4,553	-
Deferred contribution (Note 5)	-	50,844
	<u>27,777</u>	<u>71,011</u>
ADVANCE FROM RELATED PARTY (Note 6)	8,609	-
DEFERRED CONTRIBUTIONS RELATED TO INVESTMENT IN JOINT VENTURE (Note 3)	<u>2,400,000</u>	<u>2,400,000</u>
	<u>2,436,386</u>	<u>2,471,011</u>
NET ASSETS		
Repair Reserve (Note 7)	15,000	-
Project evaluation (Note 7)	13,667	13,667
Big Lake Pointe development (Note 7)	-	199,065
Internally restricted (Note 7)	19,187	19,187
Unrestricted	374,258	47,892
	<u>422,112</u>	<u>279,811</u>
	<u>\$ 2,858,498</u>	<u>\$ 2,750,822</u>

APPROVED BY THE BOARD



Director



Director

ST. ALBERT HOUSING SOCIETY

Statement of Operations

Year Ended December 31, 2014

(Unaudited)

	2014	2013
REVENUE		
Rent	\$ 161,174	\$ 93,966
City of St. Albert operating grant	110,000	110,000
Big Lake Pointe project grant	50,844	3,764
HOMEconnection Program	24,436	18,947
Donations and fundraising	22,759	17,844
Administration fee	10,830	8,338
	<u>380,043</u>	<u>252,859</u>
EXPENSES		
Consulting fees	47,915	59,993
Condominium corporation fees	45,240	25,467
Salaries and benefits	40,776	34,822
Property taxes	27,780	16,281
Office	15,184	17,206
Fundraising	14,538	13,148
Office lease	12,300	13,703
Professional fees	9,486	9,408
Property management fees	8,922	5,475
Repairs and maintenance	7,622	345
Insurance	7,352	6,329
Advertising and promotion	627	2,790
	<u>237,742</u>	<u>204,967</u>
REVENUE OVER EXPENSES	<u>\$ 142,301</u>	<u>\$ 47,892</u>

ST. ALBERT HOUSING SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2014

(Unaudited)

	Internally Restricted (Note 7)						
	Repair Reserve	Project Evaluation	Big Lake Pointe Development	Contingency	Unrestricted	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 13,667	\$ 199,065	\$ 19,187	\$ 47,892	\$ 279,811	\$ 231,919
Revenue over expenses	-	-	-	-	142,301	142,301	47,892
Transfers	15,000	-	(199,065)	-	184,065	-	-
NET ASSETS - END OF YEAR	\$ 15,000	\$ 13,667	\$ -	\$ 19,187	\$ 374,258	\$ 422,112	\$ 279,811

ST. ALBERT HOUSING SOCIETY

Statement of Cash Flows

Year Ended December 31, 2014

(Unaudited)

	2014	2013
OPERATING ACTIVITIES		
Revenue over expenses	\$ 142,301	\$ 47,892
Changes in non-cash working capital:		
Accounts receivable	1,169	2,322
Prepaid expenses	(494)	(643)
Deposit	226,197	-
Accounts payable and accrued liabilities	3,057	(3,356)
Prepaid rent	4,553	-
Deferred contribution	(50,844)	(3,764)
	<u>183,638</u>	<u>(5,441)</u>
INVESTING ACTIVITY		
Cash payment related to Big Lake Pointe Joint Venture	<u>(237,356)</u>	-
FINANCING ACTIVITIES		
Advances from (to) related party	<u>8,609</u>	(793)
INCREASE IN CASH	97,192	41,658
Cash - beginning of year	<u>118,273</u>	<u>76,615</u>
CASH - END OF YEAR	<u>\$ 215,465</u>	<u>\$ 118,273</u>

ST. ALBERT HOUSING SOCIETY

Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

1. NATURE OF OPERATIONS

The St. Albert Housing Society (the Society) is incorporated under the Societies Act of the Province of Alberta. The Society's goal is to provide affordable housing in the St. Albert area.

The Society is a non-profit organization, and accordingly, is not subject to income taxes under the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Investment in joint venture

The initial investment in the joint venture is recorded at the fair market value of the property contributed. Additional units acquired are recorded at fair value on the date of acquisition.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period.

Rent and housing fees are recognized as earned and collection is reasonably assured.

Contributed goods and services

Contributed goods are recognized as revenue when their fair market value can be reasonably estimated. Volunteers contribute time to assist the Society in carrying out its services. Due to the difficulty in determining the fair value of the volunteers time, contributed services are not recognized in the financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial statements with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date.

(continues)

ST. ALBERT HOUSING SOCIETY

Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Significant estimates include allowance for doubtful accounts, accrued liabilities and deferred contributions. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

3. BIG LAKE POINTE JOINT VENTURE

The Society entered into a joint venture agreement with Big Point Developments Inc. to develop 118 housing units in St. Albert. The Society contributed land that it had received from the City of St. Albert, valued at \$2,400,000. The Society's investment in the project is secured by a promissory note of \$2,400,000. At the conclusion of the agreement, the Society will receive title to 15 housing units of the Big Lake Pointe Condominium.

During 2013, construction of the Big Lake Pointe Condominium was completed and tenants began moving in. Title to the 15 housing units has not been transferred to the Society, but they began receiving rental income and incurring expenses in May, 2013.

In 2014, the Society contributed an additional \$237,356. This additional contribution entitles the Society to 2 additional housing units of the Big Lake Pointe Condominium. If the Society ceases operations, the original 15 units or the \$2,400,000 investment in the joint venture reverts to the City of St. Albert.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the following remittances:

	<u>2014</u>	<u>2013</u>
Payroll deductions	\$ -	\$ 1,035
Trade payables	24,038	4,165
Property tax accrual	-	16,281
Goods and Services Tax receivable	<u>(814)</u>	<u>(1,314)</u>
	<u>\$ 23,224</u>	<u>\$ 20,167</u>

ST. ALBERT HOUSING SOCIETY

Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

5. DEFERRED CONTRIBUTION

A portion of receipts received in the year are deferred to be recognized as revenue in future years as the related expenses are incurred.

	<u>2014</u>	<u>2013</u>
Balance at beginning of year	\$ 50,844	\$ 54,608
Less:		
Amount recognized as revenue	<u>(50,844)</u>	<u>(3,764)</u>
	<u>\$ -</u>	<u>\$ 50,844</u>

6. RELATED PARTY TRANSACTIONS

The Society is related to Friends of St. Albert Housing Society (Friends). Friends is a registered charity and raises funds in support of the Society. Friends and the Society have the same Board of Directors.

The following is a summary of the Society's related party transactions:

	<u>2014</u>	<u>2013</u>
Friends of St. Albert Housing Society:		
HOMEconnection Program revenue	\$ 13,786	\$ 18,947
Administration fee revenue	\$ 10,830	\$ 8,338
Balances at the end of the year		
Friends of St. Albert Housing Society	<u>\$ 8,609</u>	<u>\$ -</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. INTERNALLY RESTRICTED NET ASSETS

The Project Evaluation is restricted by the Board of Directors to be used to investigate new projects and initiatives to increase the Society's inventory of affordable housing.

The Contingency Reserve was established by the Board of Directors for operational contingencies and future project evaluations.

The Repair Reserve was established by the Board of Directors for the ongoing maintenance of the housing units owned by the Society.

ST. ALBERT HOUSING SOCIETY

Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

8. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

The Society is exposed to the following risks through its financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Accounts receivable are generally the result of rent from tenants. It is management's opinion that there is no significant credit risk as of December 31, 2014.

Liquidity risk

Liquidity risk arises from the possibility that the Society might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk as of December 31, 2014.

FRIENDS OF ST. ALBERT HOUSING SOCIETY

Financial Statements

Year Ended December 31, 2014

(Unaudited - See Notice To Reader)

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Friends of St. Albert Housing Society as at December 31, 2014 and the statements of operations and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Edmonton, Alberta
March 7, 2015



CHARTERED ACCOUNTANTS

FRIENDS OF ST. ALBERT HOUSING SOCIETY

Statement of Financial Position

December 31, 2014

(Unaudited - See Notice To Reader)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ 110,715	\$ 123,348
Accounts receivable	<u>1,001</u>	<u>775</u>
	<u>\$ 111,716</u>	<u>\$ 124,123</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 1,000	\$ 601
Deferred contributions	<u>11,297</u>	<u>36,265</u>
	12,297	36,866
NET ASSETS		
Unrestricted	<u>99,419</u>	<u>87,257</u>
	<u>\$ 111,716</u>	<u>\$ 124,123</u>

APPROVED BY THE BOARD



Director



Director

FRIENDS OF ST. ALBERT HOUSING SOCIETY

Statement of Operations

Year Ended December 31, 2014

(Unaudited - See Notice To Reader)

	2014	2013
REVENUE		
Donations	\$ 43,491	\$ 71,091
Fundraising	5,409	-
Interest	301	452
Government of Alberta Community Spirit grant	-	4,334
	<u>49,201</u>	<u>75,877</u>
EXPENSES		
HOMEconnection Program	24,969	18,947
Fundraising	6,775	4,516
Administrative support	3,536	9,732
Professional fees	1,425	1,362
Office	334	94
	<u>37,039</u>	<u>34,651</u>
REVENUE OVER EXPENSES	<u>\$ 12,162</u>	<u>\$ 41,226</u>

FRIENDS OF ST. ALBERT HOUSING SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2014

(Unaudited - See Notice To Reader)

	<u>2014</u>	<u>2013</u>
NET ASSETS - BEGINNING OF YEAR	\$ 87,257	\$ 46,031
Revenue over expenses	<u>12,162</u>	<u>41,226</u>
NET ASSETS - END OF YEAR	<u>\$ 99,419</u>	<u>\$ 87,257</u>

THANK YOU

Investments in the St. Albert Housing Society strengthens St. Albert's community through safe and affordable living options.

We are deeply grateful for the financial contributions from our donors and event sponsors. Your belief in the St. Albert Housing Society fuels the work we do in helping people meet their basic needs and have a better life.

We also value and appreciate the contributions from our volunteers, community partners and our municipal government. Together we are improving lives in St. Albert, and we look forward to reaching more people through ongoing collaboration.

A special thank-you to:

- Big Lake Developments & Premium Rentals
- Capital Regional Housing Corporation
- City of St. Albert
- SAIF Society
- St. Albert Community Village
- St. Albert Family Resource Centre
- St. Albert Salvation Army



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