



Financial Planning

Welcome

May 26, 2009

Welcome

“If you have an apple and I have an apple and we exchange these apples, then you and I will still each have one apple. But if you have an idea, and I have an idea, and we exchange these ideas, then each of us will have two ideas.”

George Bernard Shaw



Benchmark Funding Formula

- Financial Planning = understanding the funding formula
- In school $1 + 1 = 2$
- The funding formula changes these basic assumptions
- $2 - 2$ does not always equal 0 (sort of)



Agenda

- Annual Information Return (AIR)
- Budget
- Break
- Monitoring Financial Status
- Financial Planning

In your package

- Annual Information Return AIR
- Tip sheet for completing the AIR
& check list of year end requirements
- Budget
- Financial Statements
- Annual Planning Cycles
- Evaluation form



Introductions

- Who you are
- What is your position
- Tell us about your housing
- Your years of experience



The AIR



Annual Information Return

The Annual Information Return (AIR)

- NRH encourages Housing Providers to fill out their own AIR
 - Save \$ on Audit Fees
 - The advantage of intimately knowing the operations of the business
 - Learning/understanding the big picture

- The AIR should be filled out throughout the year!
 - Unit Activity Data sheet filled out monthly
 - Saves time at year end, and important to aid in monthly financial reporting to your Board

The Annual Information Return (AIR)

- Where to find on www.nrh.ca
- How to download the file and save to your hard drive on your computer
- Filling out the AIR, sample provided
- Tips and Tricks to the AIR

Assistance with the AIR

- Help is only a phone call or an e-mail away!

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Year End Requirements

- Audited Financial Statements, signed by 2 Board Members (indicates Board Approval)
- AIR (signed by 2 Board Members on 2 pages)
- Accountant's Report with Appendix
- Management Letter from Auditor (if issued)
- 5-Year Capital Plan
- Deficit Reduction Plan (if applicable)



The Budget



Subsidy Calculations

Budget

- An accurate estimate!
- Subsidy Calculation
 - Requirements
 - # of RGI units per unit type
 - RGI Income
 - Property Taxes
 - Deadline – 3 months prior to fiscal year start
- Examining the subsidy calculation

Budget - Revisions

- Subsidy Revision – a success story
- Reasons for Subsidy Revision
- Monitoring your YTD Financials
- Subsidy Revision – the Process

Assistance with the Budget

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Break





Financial Status Monitoring

- Don't wait until the end of the year – always know your Current Financial Status
 - Ensure that revenue & expenses are accurately allocated (i.e. capital expenses are not sitting in maintenance expense)
 - Complete the Financial Status Monitoring tool at least every three months



Financial Status Monitoring

- Knowing your financial status allows
 - Better understanding of how policies and decisions are impacting the financial status
 - Time to make adjustments to spending or subsidy



Financial Status Monitoring

- Demonstration of the Financial Monitoring Tool
 - Enter annual budget
 - Enter A7-UAD
 - Enter current financial information

Monitoring Financial Status

Exercise

- Tool to monitor financial status
- Each group as a different scenario
- Read the scenario, follow the instructions, and enter the data into the monitoring tool
- Determine if the monitoring tool changes the Excess Revenue/Expenses & why

Financial Planning

- Short Term (next 5 years)
 - Annual budget cycle operating & capital
 - Monitor your Financial Status
 - 5 Year Capital Plan

Financial Planning

- Short Term (next 5 years)
 - Take care of your building
 - Preventative Maintenance Program
 - Respond to repair requests as quickly as possible
 - Take care of your members
 - Keep your units full – avoid vacancy loss
 - Zero tolerance for arrears
 - Respond to member concerns
 - Instill a culture of continuous improvement
 - Always be ready to take advantage of current trends
 - Grants/loans
 - Education

Financial Planning

- Long Term
 - A good Asset Management Program
 - BCA/RFS
 - Energy Audit
 - Investment strategy

Wrap up

- Annual Information Return AIR
- Budget
- Monitoring Financial Status
- Financial Planning
 - Short term ~ Capital & Operating Cycles
 - Long Term ~ Good Asset Management Plan

- Complete the Evaluation Form

- You have the experience and knowledge.
- If you need help just ask!

