



Niagara Regional Housing

Notice

No: 14-07

APPLICABLE TO:

DATE: May 30, 2014

<input checked="" type="checkbox"/>	Municipal & Private Non Profit
<input checked="" type="checkbox"/>	Co-operative
<input checked="" type="checkbox"/>	Federal Non Profit
<input type="checkbox"/>	OCHAP/CSHP
<input type="checkbox"/>	Rent Supplement

<input checked="" type="checkbox"/>	Mandatory
<input type="checkbox"/>	For Information

SUBJECT: RECAPP Capital Forecasting System

BACKGROUND

Over the past several years, Niagara Regional Housing (NRH) has utilized SHSC/AMC's Capital Forecasting System to monitor and track housing providers' capital reserve funds and 5 year capital plans. The purpose of a capital forecasting system is to ensure housing providers manage their reserve funds appropriately, identify providers' future capital requirements, and assess overall risk.

NRH required the submission of a board-approved 5 year capital plan together with the year-end financial reports in order for providers to retain 50% of their annual operating surplus (depending on the program). Housing providers were required to use SHSC/AMC's software to produce their 5 year capital plans.

REPORT

Over the years, the SHSC/AMC system was found to have several problems:

- System was not intended to be used by a large service provider and could not handle all the data;
- Not user-friendly;
- Difficult to manipulate; and,
- Providers who rarely used the system needed ongoing training.

NRH has decided to discontinue the use of the SHSC/AMC Capital Forecasting System.

RECAPP

After reviewing various capital forecasting systems in the marketplace, NRH has decided to utilize the RECAPP capital forecasting system, which is currently used by the NRH owned portfolio.

The system has been adjusted to reflect typical housing provider capital items. Housing providers will not have direct access to this system. A simple RECAPP spreadsheet will be required from housing providers on an annual basis that will be uploaded into RECAPP.

RECAPP SPREADSHEET

General Overview

In an effort to simplify the requirements for housing providers, a RECAPP spreadsheet, in excel format, has been developed to capture the provider's capital forecast as well as serve as the input document for RECAPP. The RECAPP spreadsheet provides a 10 year capital forecast. Housing providers will be required to input actuals for their year just ended, and revise the remaining 9 year forecasts, by deleting, deferring, or adding new items. When complete, the spreadsheet is to be printed out, approved/signed by the board, and sent to NRH with the provider's year-end financial reports. At the same time, an electronic copy is required to be emailed to andrew.hope@niagararegion.ca for input into the RECAPP system.

RECAPP Spreadsheet Components

The RECAPP spreadsheet contains the following tabs:

Instruction Sheet – explains how to complete the capital forecast spreadsheet

Capital Forecast – is the spreadsheet that providers will use as their 10 year capital forecast (*sample attached*)

Capital Item Table – contains a list of all eligible capital items by major category and sub-category for reference

Capital Definitions – contains definitions of several capital items

Process

1. The RECAPP system will be effective with each provider's fiscal year-end, starting with providers whose year-end is June 30, 2014.
2. At year-end, an electronic copy of the RECAPP Spreadsheet will be emailed to the housing provider.
3. Housing providers are required to input the actuals for all capital work that occurred in their fiscal year just ended, in the first column.
4. Housing providers are to review the remaining 9 years considering the available capital funds, and make the required adjustments by removing, adding, deferring items as necessary, to ensure that funding exists to complete the work identified. Providers may have to defer or phase-in some capital work to ensure the reserve funds are not depleted.
5. When satisfied with the revised 10 year plan, a copy is to be approved and signed by the board.
6. A paper copy of the 10-year plan is to be included in the year-end financial reports, due 4 or 5 months after year-end, depending on the program.
7. At the same time, an electronic copy is to be emailed to Andrew Hope for upload into the RECAPP system.

One-to-One Training

If a housing provider would like a one-to-one session on using the RECAPP spreadsheet, please contact Andrew Hope (905) 682-9201 ext. 3963 or andrew.hope@niagararegion.ca, and he will arrange to visit your office to review the system.

Housing Provider's Role

Housing providers are required to utilize the RECAPP Spreadsheet to report their actual capital expenditures and forecast to NRH, on an annual basis.

Service Manager's Role

NRH will use the RECAPP Spreadsheet to upload the data into the RECAPP capital forecasting system, as well as to monitor and track the capital requirements of housing providers, assess risk, and be in a better position to advocate for additional funding on housing providers' behalf.

If you have any questions or concerns regarding this notice, please contact Andrew Hope, Financial Support Analyst at (905) 682-9201.

Lora Beckwith, General Manager

Enclosure

Appendix A – Capital Forecast