

Report from the Treasurer to the 2023 Annual General Meeting

I am pleased to submit my treasurer's report to the annual general meeting for the year ending July 31, 2023.

My role as your treasurer is to link our finances to the strategic objectives approved by the board for CHF BC and its related subsidiaries. Collectively, our mandate is to support and expand the co-op housing sector in BC and to ensure that our member housing co-ops have the tools and resources they need to be thriving co-op communities.

CHF BC maintained its strong financial position during the year with revenues of just over **\$3.5M**, a 20% increase over last year. This is largely due to our loyal members who continued to use our group buying programs and other services in record numbers. Over the year, we maintained or increased the number of co-ops using programs like the Co-op Housing Interest Pool (CHIP), waste management, appliances, flooring, and kitchen cabinets. By combining the purchasing power of more than 260 housing co-ops, we generated savings to members and diversified our revenue to keep membership dues affordable.

I am pleased with how many of our members are using our online resources and templates and contacting our staff via phone or members@chf.bc.ca to request advice on issues related to the governance and management of their co-ops. Our staff respond to hundreds of requests throughout the year, and this direct connection to our members adds tremendous value to their day-to-day operations.

Subscriptions to our website and electronic newsletters increased significantly over the year – a direct result of significant investments in our communications and web platforms. While these services do not produce direct revenue for CHF BC, they are strong indicators of growing member engagement and the value that members are receiving for their membership dues.

The planning and renewal program had another successful year, finishing within 10% of budgeted revenue projections. This is a key service developed to combine professional asset management planning with access to affordable financing.

Revenue from the education program was lower than in prior years, reflecting a growing preference among some members to attend workshops online. Registration fees are lower for online events, but this format is extremely convenient for members, extending the education program's reach and offering access to a larger and more varied pool of workshop leaders.

We continued to make significant investments in our staff, adding new positions, expanding existing roles, and offering skills enhancement and professional development opportunities. Our staff face an increasingly complex set of challenges common to everyone who works in the

community housing sector. Our continued investment in our workforce, and in the governance capacity of our board of directors, will ensure the future success of housing co-ops in BC.

CHF BC finished another year in solid financial shape, posting a surplus of just under \$124,000 in a year with a projected deficit of \$165,000. While the surplus was a result of sound fiscal management and increased use of our group buying programs, it is also worth noting that unexpectedly higher interest rates delivered 55% more CHIP program revenue than budgeted.

While high interest rates improved revenue from the CHIP program, the Bank of Canada's efforts to curb inflation are also driving up the cost of borrowing for many co-ops who need financing to repair their buildings. The current economic environment also has an impact on our Community Land Trust's development activities, where higher construction and financing costs make first-year housing charges more challenging for lower-income members.

Amid this financial uncertainty, and in response to a special resolution approved at the last AGM, we took steps to enhance our financial oversight and risk management by creating the Finance, Audit and Risk (FAR) committee. The complexity of our business and the challenges in our current environment demand a more holistic view of our finances, operations, and risk. I am pleased to report that the new committee is now fully operational.

At year end, we added \$123,908 to the balance of the Operating Fund, after the usual transfer to the Capital Asset Fund, and realized an increase of more than \$52,000 in the value of our equity holding in Encasa Financial Inc.

COHO Management Services provides property management services to 90 housing co-ops with 6,000 homes. COHO had another successful year, posting an operating surplus of \$50,546 and maintaining healthy reserves. All of COHO's net earnings are reinvested in the development and delivery of management services to housing co-ops.

Since 2020, the Community Land Trust has more than doubled the number of completed and occupied co-op homes and almost tripled the number of homes under construction or development.

The Community Land Trust acts as both a vehicle for building new and preserving existing co-op homes. Last year, we reported that CLT purchased two co-op properties in Burnaby that were at risk of being sold to private investors. This year, we took further steps toward a similar deal for two co-ops in Coquitlam, and we hope to report good news soon. With our growing portfolio of homes owned and managed by the co-op housing sector, we can leverage our collective assets to provide housing security in co-op communities for many more British Columbians.

I am pleased to present another clean, unqualified auditor's opinion to our members at this annual meeting. The board is also recommending that you reappoint Grant Thornton to serve as our auditor for another year.



This is my final term as your treasurer, and I am proud to be leaving this role with our finances in excellent shape. CHF BC provides a wider and more comprehensive range of services to housing co-ops than any federation in Canada. Our investments in the country's most successful sector-owned property management company (COHO) and most prolific social purpose real estate developer (Community Land Trust) continue to strengthen the co-op housing sector in BC and across Canada.

Members can be confident that the board of directors will continue to steward CHF BC's resources prudently and strategically in the best interests of the Federation and its members.

Thank you for your support and confidence.

Respectfully submitted,

Deanna Overland
Treasurer

Please note: The auditor's report, statement of financial position, and statement of operations and changes in fund balances for the year ending July 31, 2023 are attached. The full audited financial statements, including notes, are available on request.