

Financial Statements

Calhome Properties Ltd.

Operating as 'Calgary Housing'

December 31, 2024

Independent Auditor's Report

To the Members of
Calhome Properties Ltd.

Opinion

We have audited the financial statements of Calhome Properties Ltd. ('Operating as Calgary Housing') ('Calhome') which comprise the statement of financial position as at December 31, 2024 and the statements of operations, remeasurement gains and losses, cash flows and change in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calhome as at December 31, 2024 and the results of its operations, its cash flows, its remeasurement gains and losses and change in its net financial assets for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Calhome in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the supplementary information included in the Statements of Operations by Portfolios does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Calhome's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Calhome or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Calhome's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Calhome's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Calhome's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Calhome to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
March 20, 2025

Calhome Properties Ltd.
Operating as 'Calgary Housing'

STATEMENT OF FINANCIAL POSITION
(Expressed in Thousands of Dollars)

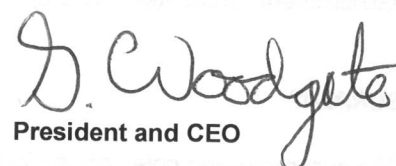
As at December 31, 2024

	2024	2023
Financial Assets		
Cash (Note 3)	\$ 64,897	\$ 45,229
Receivables		
Rent and others	884	661
Government	10,886	7,358
Investments (Note 4)	21,513	19,487
	<u>98,180</u>	<u>72,735</u>
Liabilities		
Accounts payable and accrued liabilities	12,729	9,965
Unearned tenant rent revenue	2,839	2,156
Deferred funding (Note 12)	5,406	4,745
Payable to government	2,276	1,066
Rent supplement advance (Note 5)	4,734	4,263
Tenants' security deposits (Note 3)	1,286	1,198
Mortgages payable (Note 6)	3,829	4,442
Asset retirement obligations (Note 13)	11,434	9,776
Lease inducement liability (Note 17)	1,917	-
Employee benefit obligation (Note 7)	3,796	3,347
	<u>50,246</u>	<u>40,958</u>
NET ASSETS	47,934	31,777
Non-Financial Assets		
Tangible capital assets (Note 8)	100,620	100,154
Prepaid expenses	3,464	3,306
	<u>104,084</u>	<u>103,460</u>
Accumulated remeasurement gains (losses)	685	(600)
Accumulated surplus (Note 11)	151,333	135,837
	<u>\$ 152,018</u>	<u>\$ 135,237</u>
Contractual rights (Note 16)		
Contractual obligations (Note 17)		

The accompanying notes are an integral part of the financial statements.

On behalf of the Board


Chair


President and CEO

Calhome Properties Ltd.
Operating as 'Calgary Housing'

STATEMENT OF OPERATIONS
All Portfolios
(Expressed in Thousands of Dollars)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent revenue	\$ 58,362	\$ 60,725	\$ 55,443
Government Transfers			
Deficit funding	23,067	20,448	18,459
Restricted funds (Note 12)	25,738	12,456	14,726
Rent supplement funding	22,671	23,498	23,913
Other contributions (Note 20)	-	3,900	4,863
Project development (Note 21)	-	4,967	-
Interest income	1,337	2,597	1,458
Investment income	676	741	395
Insurance recoveries (Note 14)	900	1,448	440
Miscellaneous revenue	1,252	3,492	2,005
	<u>134,003</u>	<u>134,272</u>	<u>121,702</u>
EXPENSES			
Administration	4,738	4,208	3,996
Salaries and benefits	27,054	26,930	25,211
Amortization of tangible capital assets (Note 8)	3,663	3,546	3,340
Accretion (Note 13)	288	316	293
Debt servicing	100	116	131
Maintenance	34,577	32,776	28,886
Property operations	13,944	11,824	12,025
Rent supplement	21,484	22,307	22,747
Taxes and leases (Note 18)	2,043	1,151	1,878
Utilities	12,582	10,740	11,247
Project development (Note 21)	10,163	4,506	-
	<u>130,636</u>	<u>118,420</u>	<u>109,754</u>
EXCESS OF REVENUE OVER EXPENSES	3,367	15,852	11,948
BEFORE OTHER ITEMS			
OTHER ITEMS			
Return to The City of Calgary	(200)	(356)	(289)
Government contribution (Note 8)	-	-	2,590
	<u>(200)</u>	<u>(356)</u>	<u>2,301</u>
SURPLUS	\$ 3,167	\$ 15,496	\$ 14,249

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

(Expressed in Thousands of Dollars)

For the year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
ACCUMULATED REMEASUREMENT LOSSES, BEGINNING OF YEAR	\$ (600)	\$ (1,740)
UNREALIZED GAINS ATTRIBUTABLE TO:		
Portfolio investments designated at fair value	<u>1,285</u>	<u>1,140</u>
	<u>1,285</u>	<u>1,140</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	<u>\$ 685</u>	<u>\$ (600)</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Surplus	\$ 15,496	\$ 14,249
Non-cash items:		
Amortization of tangible capital assets (Note 8)	3,546	3,340
Accretion of asset retirement obligations (Note 13)	316	293
Government contribution (Note 8)	-	(2,590)
Asset retirement obligations derecognized	(67)	-
Change in non-cash working capital (Note 19)	4,334	(8,542)
	<u>23,625</u>	<u>6,750</u>
CAPITAL ACTIVITIES		
Addition of tangible capital assets (Note 8)	(2,606)	(2,137)
	<u>(2,606)</u>	<u>(2,137)</u>
FINANCING AND INVESTING ACTIVITIES		
Repayment of long term debt	(611)	(812)
Purchase of investments	(740)	(2,264)
	<u>(1,351)</u>	<u>(3,076)</u>
NET INCREASE IN CASH DURING THE YEAR	19,668	1,537
CASH, BEGINNING OF YEAR	45,229	43,692
CASH, END OF YEAR (Note 3)	<u>\$ 64,897</u>	<u>\$ 45,229</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGE IN NET ASSETS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2024

	Budget	2024	2023
ANNUAL SURPLUS	\$ 3,167	\$ 15,496	\$ 14,249
TANGIBLE CAPITAL ASSETS			
Additions of tangible capital assets (Note 8)	(2,287)	(2,606)	(4,727)
ARO asset derecognized (Note 8)	-	2	-
Amortization of tangible capital assets (Note 8)	3,663	3,546	3,340
Increase in asset retirement obligations (Note 13)	-	(1,408)	(555)
	1,376	(466)	(1,942)
OTHERS			
Increase in prepaid expenses	-	(158)	(177)
Accumulated remeasurement gains (losses)	-	1,285	1,140
	-	1,127	963
CHANGE IN NET ASSETS	4,543	16,157	13,270
NET ASSETS, BEGINNING BALANCE	31,777	31,777	18,507
NET ASSETS, ENDING BALANCE	\$ 36,320	\$ 47,934	\$ 31,777

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

1. NATURE OF THE BUSINESS

Calhome Properties Ltd. [the "Company"], is a wholly owned subsidiary of the City of Calgary [the "City"] and was incorporated June 16, 1978 pursuant to the Companies Act, then in force, of the Province of Alberta [the "Province"] and was continued under the Business Corporations Act of Alberta on May 29, 1985. On August 1, 2024, the Company registered the trade name of Calgary Housing ["CH"], which replaced the Company's former trade name of Calgary Housing Company previously registered on March 05, 2001.

The Company delivers safe and affordable housing to Calgarians. Some of the housing is provided under agreements with the City and the Province, which provide subsidies for certain properties. Since its inception, the Company has assumed ownership and/or management of Portfolios under different agreements. Below is a brief description of the portfolios.

Private Non-Profit Portfolio

This portfolio consists of 206 units [2023 – 206] owned by the Company. The Provincial government subsidizes any operating deficits with the exception of the Lincoln Park Fanning Centre which receives a subsidy in an amount required to reduce debt financing costs to 2% per annum.

Calhome Owned Portfolio

This portfolio is comprised of 1,654 units [2023 – 1,654] owned by the Company with no direct subsidy from any governmental agency.

Corporate Properties Residential Portfolio

This portfolio consists of 201 units [2023 – 214] owned by the City. The Company manages these housing units on behalf of the City. This portfolio receives no subsidy, and the net operating results are the responsibility of the City.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

1. NATURE OF THE BUSINESS (continued)

City Owned Community Housing Portfolio

This portfolio consists of 840 units [2023 – 840] owned by the City and managed by the Company. Any operating deficits are subsidized by the Province, according to a four-year agreement effective January 1, 2021. According to this agreement, from 2021 to 2024, the Province will provide \$4,500 in operating funding and \$4,000 in capital funding on an annual basis, with the remainder of the deficit funded by the City. For the year ended December 31, 2024, the Company received \$4,500 of operating funding and zero capital funding, as the remainder of the capital funding was prepaid during fiscal year 2022. Effective December 11, 2024, the agreement was amended to extend the term to December 31, 2028. Under the amended terms of the agreement, the Province will provide \$3,500 in operating funding and \$3,500 in capital funding on an annual basis beginning in 2025, as disclosed in Note 16.

Provincially Owned Community Housing Portfolio

This portfolio consists of 2,702 units [2023 – 2,702] owned by the Province. The Company assumed the management of this portfolio in 2001. The Province subsidizes 100% of the deficits of this portfolio based on all accounts that are chargeable against the administration and operation of the portfolio in accordance with operating budgets and subject to any other agreements in writing.

Rent Supplement Portfolio

This portfolio is a provincial government program, administered by the Company, to provide rental subsidies paid to private landlords and residents. The Company received reimbursement of administration fees incurred for this program at a rate of \$31 per unit per month until March 2024. As of April 2024, this rate was increased to \$40 per unit per month.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2024

1. NATURE OF THE BUSINESS (continued)

Development Portfolio

This portfolio has been created for the 2024 fiscal year to report on the new capital development work being provided by CH to the City. The Company manages development projects on properties owned by the City and by the Company. This portfolio does not receive government subsidies; however, it is eligible for grant funding on a project-by-project basis. Refer to Note 21 for further details regarding development activities during 2024.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company are prepared in accordance with Public Sector Accounting Standards ["PSAS"] for local government organizations as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The financial statements are prepared using the accrual basis of accounting, which records revenue when it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods and services and/or the legal obligation to pay.

Revenue

Residential Rent Revenue

Rents charged to residents are based on market or below-market rents outlined in the agreements with the Province and the City. The Company provides rental housing to residents throughout the lease term. The amount recognized as revenue is equal to the monthly amount charged to the resident as per the terms of the lease agreement.

Commercial Rent Revenue

The Company rents commercial spaces within its existing properties to commercial tenants. The Company provides tenant access to the leased commercial spaces throughout the lease term. The amount recognized as revenue is equal to the monthly amount charged to the commercial tenant as per the terms of the lease agreement.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Miscellaneous Revenue

Included in some tenancy agreements are provisions to charge residents for parking, laundry, and utilities.

Parking units are designated to the resident and charged based on a fixed rate per the lease agreement. The Company provides available parking access to the residents throughout the lease term. The amount recognized as revenue is equal to the monthly fee charged to the resident per the terms of the lease agreement, as the performance obligation is met.

Laundry services are provided to residents either through a third-party provider or by the Company directly.

For services provided by the third-party, cash proceeds from this service are paid monthly to the Company from the third party. Pricing for this service is based on a fixed rate per use by the resident. The laundry service is used by residents on an ad hoc basis. The Company recognizes monthly revenue equal to the proceeds received from the third party.

Laundry services provided directly by the Company to residents are stipulated in the residential lease agreements. The residents have access to this service throughout the lease term. Fees for this service are set at a fixed rate and revenue is recognized monthly as part of the lease charges.

Stipulations within the residential lease agreements enable the Company to charge back overdue utility costs to the residents. Charges are billed by the provider after the monthly service period for heating, water, and related utilities. Once the charge becomes overdue with the resident, the charge is then recognized as revenue by the Company and collected as part of the monthly rental charges to the resident, as this equates to the utilities service provided during the month.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Transfers and Other Contributions

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired. Government transfers and earnings thereon restricted by agreement or legislation are accounted for as deferred funding until used for the purpose specified. If a funding source does not meet the definition of a liability in accordance with PSAS, revenue is recognized upon transfer of the funds.

On occasion, government transfer agreements may include additional funding to the Company to compensate for management services provided in overseeing the corresponding capital or maintenance work. Contract pricing for the management fees is based on a fixed rate in connection to the project costs incurred. Revenue recognized on these management fees is proportionate to the project costs incurred, as the Company considers the project costs to have a direct correlation to the extent of management services provided.

Project Development

The Company has contracts with the City to provide project management services and to settle the related construction costs with third parties for specific development projects. As the Company has an established development division dedicated solely to these projects, it considers the project management services by this team to be provided evenly throughout the project term. Management fee revenue on these development contracts is recognized in equal monthly installments to match the timing of these services. Per the terms of each development contract, the Company has an ongoing commitment to provide these management services until project completion.

The Company pays third parties for the delivery of construction and related services on the development projects. Revenue is recognized in the period when the related expenses are incurred for the construction progress-to-date.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial instruments consist of cash, rent and other receivables, investments, payable to and receivable from senior government, accounts payable and accrued liabilities, rent supplement advance, residents' security deposits, and mortgages payable. Investments are measured at fair value. The remaining financial instruments are measured at their carrying value which approximates their fair value. The estimated fair value approximates the amount for which the financial instruments could currently be exchanged in an arm's length transaction between willing parties who are under no compulsion to act. Certain financial instruments lack an available trading market, therefore fair value amounts should not be interpreted as being necessarily realizable in an immediate settlement of the instrument.

Investments

The Company has investments representing funds from the deferred capital contribution, the operating reserve, the capital reserve, and operating surpluses. All funds are invested by the City, consisting of bonds and equities. Investments are recorded at the fair value and changes therein are recorded as unrealized gains and losses in the statement of remeasurement gains and losses. When an investment gain or loss is realized, the accumulated remeasurement gain or loss is reclassified to the statement of operations and accumulated surplus as a profit or loss.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally have useful lives extending beyond the current year. Non-financial assets include tangible capital assets and prepaid expenses. The change in non-financial assets during the year, together with the excess of revenues over expenditures, provides the information presented in the Statement of Change in Net Assets for the year.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets

Tangible capital assets are recorded at historical cost, which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost, less residual value of the tangible capital assets, is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land	-
Buildings	50-75
Building Betterments	5-75
Leasehold Improvements	5-10
Systems	5
Furniture	20
Vehicles	10

Assets under construction are not amortized until the asset is available for productive use. Assets recognized in connection with the asset retirement obligations standard are amortized on a straight-line basis over the estimated useful life of the underlying tangible capital asset.

Contributions of Tangible Capital Assets

Tangible capital assets received as contribution are recorded at fair value at the date of receipt in restricted revenue.

Revenue producing properties are periodically reviewed for impairment. If it is determined that impairment exists, the carrying value of the revenue producing properties is reduced to their estimated fair value, as determined by the third-party appraisals.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserves

Operating Reserve:

The operating reserve is funded by a charge against accumulated surplus and consists of both restricted and unrestricted amounts. Restricted amounts are subject to the approval or direction of the Province, the City, the Company administration, or the Board of Directors. Withdrawal requests over \$5,000 are initiated by the Company President and approved by the Board of Directors. Requests below this threshold are initiated by leaders or executives and approved by the operational lead. [Notes 3 and 11].

Capital Reserve:

The capital reserve is funded by a charge against accumulated surplus and consists of both restricted and unrestricted amounts. Restricted amounts are subject to the approval or direction of the Province, the City, the Company administration, and the Board of Directors, who can also determine an annual provision of the capital reserve for certain properties. Withdrawal requests over \$5,000 are initiated by the Company President and approved by the Board of Directors. Requests below this threshold are initiated by leaders or executives and approved by the operational lead. [Notes 3 and 11].

Deferred Capital Contribution:

The deferred capital contribution is funded by a charge against accumulated surplus and consists of restricted amounts. Restricted amounts are subject to the approval or direction of the Province and the Company administration. [Notes 3 and 11].

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities based on information available at year-end.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, The Company reviews the carrying amount of the liability and recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to timing, amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Company continues to recognize the liability until settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

General and Administration

General and administration expenditures are allocated to properties using a hybrid approach encompassing direct allocation and ratio allocation. Expenditures directly related to certain properties are directly allocated to those properties. Expenditures relating to multiple properties are allocated based on the ratio of the number of units in each property to the total number of units managed by the Company.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inter-entity Transactions

The Company's financial information is included in the consolidated financial statements of the City. Transactions with the City and other consolidated entities are recorded at the exchange amount when they take place on terms similar to arms-length transactions, or where costs are allocated or recovered. The Company does not record any amount for transactions in which it is a recipient, and the related costs are unallocated.

Use of Estimates

The financial statements are prepared in accordance with PSAS, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date and the reported amounts of revenue and expenses during the year. Significant estimates include the provision for asset impairment, asset retirement obligations, useful lives of tangible capital assets, accrued liabilities, allowance for doubtful accounts, and contingencies. Actual results could differ from those estimates.

Goods and Services Tax

The Company has been granted the status of a municipality for purposes of the Goods and Services Tax and receives the municipal rebate on all the Goods and Services Tax paid.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Standards

Revenue

Revenue ("PS 3400") provides guidance on the recognition of revenue that distinguishes between revenue arising from transactions that include performance obligations and from transactions that do not have performance obligations. The Company adopted PS 3400 with an initial adoption date of January 1, 2024. The adoption of this standard did not have a material impact on the Company's financial statements with the exception of added disclosures.

Purchased Intangibles

Purchased Intangibles ("PSG-8") provides guidance on the recognition and reporting of purchased intangibles acquired through arm's length exchange transactions. The Company adopted PSG-8 effective January 1, 2024. The adoption of this standard did not have an impact on the Company's financial statements.

Public Private Partnerships

Public Private Partnerships ("PS 3160") provides guidance on accounting for partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The Company adopted PS 3160 effective January 1, 2024. The adoption of this standard did not have an impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2024

3. CASH

The Company holds bank accounts in conjunction with the City to maximize interest earned on the cash balances. The cash held at the City is available for use in the Company's operations. Included in cash are the following:

	2024	2023
Restricted		
Tenants' security deposits	\$ 1,286	\$ 1,198
Rent supplement fund advance (<i>Note 5</i>)	4,734	4,263
Restricted funding from senior government	1,676	823
Restricted operating reserve	7,729	8,105
Restricted capital reserve	30,844	20,137
Provincial emergency fund	802	802
Deferred capital contributions	163	163
Deferred funding (<i>Note 12</i>)	5,406	4,745
	52,640	40,236
Unrestricted	12,257	4,993
	\$ 64,897	\$ 45,229

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

4. PORTFOLIO INVESTMENTS

The composition of portfolio investments measured at fair value is as follows:

2024				
\$				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents held for investing purpose	\$ 146	\$ -	\$ -	\$ 146
Canadian dollar fixed income	-	15,404	-	15,404
Foreign fixed income	-	72	-	72
Pooled fixed income	-	553	-	553
Global equity	794	-	-	794
Pooled equity	2,912	1,632	-	4,544
	\$ 3,852	\$ 17,661	\$ -	\$ 21,513

2023				
\$				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents held for investing purpose	\$ 56	\$ -	\$ -	\$ 56
Canadian dollar fixed income	-	13,557	-	13,557
Foreign fixed income	-	285	-	285
Pooled fixed income	-	965	-	965
Global equity	646	2	-	648
Pooled equity	1,842	2,134	-	3,976
	\$ 2,544	\$ 16,943	\$ -	\$ 19,487

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The investments consist of bonds and equities with a market value of \$21,513 (2023 – \$19,487) and a carrying value of \$20,829 (2023 – \$20,087). The average yield earned from investment during the year was 3.44% (2023 – 2.03%). These investments are classified at Level 1 and 2 in the fair value hierarchy and there was no movement between the levels in the fair value hierarchy during the year.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

4. PORTFOLIO INVESTMENTS (continued)

The investments are placed into a pool of bonds and equities, where the return on investment is calculated as the average of the securities in the corresponding portfolio.

The City Treasury who manages the Company's investments does not provide a rate of return for each individual bond but provides a rate on each portfolio as a whole. These are the rates that the Company earns on its portion of investments. During the year portfolio investments earned realized income of \$741 (2023 - \$395). The Company has invested restricted amounts from the reserves disclosed within accumulated surplus. The aggregate amount of portfolio investments that are restricted in nature have a total market value of \$21,513 (2023 - \$19,487). Refer to Note 11 for information regarding accumulated surplus and the related reserves.

5. RENT SUPPLEMENT ADVANCE

The Rent Supplement Portfolio operates on the basis of the Province reimbursing the Company for the rental subsidies paid to private landlords and residents along with an administration fee. All payments to landlords and residents are reported as expenses and all rent supplement payments received by the Company from the Province are reported as rent supplement revenue.

The Province provided the Company with a \$4,255 operational cash advance in 2012. This advance was provided to pay rental subsidies to private landlords and residents in the event that the Province decides to discontinue the rent supplement program. The advance is used to temporarily address shortfalls in subsidy receipts due to timing differences. The year end balance of \$4,734 is the accumulated balance reconciled and adjusted for annual deficits/surpluses.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2024

6. MORTGAGES PAYABLE

The Company has mortgages with interest rates varying from 0.68% to 3.84% per annum [2023 – between 0.68% and 6.45% per annum].

The mortgage repayment schedule is as follows:

Year	Total
2025	507
2026	514
2027	491
2028	498
2029	302
Thereafter	1,517
	<u>\$ 3,829</u>

Related land and buildings have been pledged as collateral for mortgages payable. The net book value of land and buildings pledged amounts to \$33,571 [2023 - \$32,952] as of December 31, 2024.

On December 18, 2024, the Company entered into a loan agreement in the amount of \$15,529 as supplementary funding for new development. The funding will comprise of a forgivable loan of \$3,375 and a repayable loan of \$12,154. The forgivable portion has a 20-year amortization schedule and remains interest-free as long as the Company continues to meet the eligibility criteria of the program, while the repayable portion has a 10-year term and a 50-year amortization schedule with a maximum interest rate of 4.59%. As of December 31, 2024, no draws have been made towards this loan.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2024

7. EMPLOYEE BENEFIT OBLIGATION

The Company does not pay honoraria to its Board members.

The employee benefit obligation program is administered by the City, and it represents employees' vacation and overtime deferred to the future years.

The City employees are members of the Local Authorities Pension Plan ("LAPP"). LAPP is a multi-employer defined benefit plan. This plan is governed by the Public Sector Pension Plans Act.

The LAPP requires members and employers to make contributions to the pension plan. Yearly maximum pensionable earning ("YMPE") contribution rates are shared between members, and the rates for the current period are as follows:

	2024	2023
Members' Rate up to YMPE	7.45%	7.45%
Members' Rate over YMPE	11.23%	11.23%
Employers' Rate up to YMPE	8.45%	8.45%
Employers' Rate over YMPE	12.23%	12.23%

The current service contributions by the Company, as reflected in 'Salaries and Benefits' to the LAPP, were \$2,016 [2023 - \$1,871]. The current service contributions by the employees allocated to the LAPP were \$1,804 [2023 - \$1,677].

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

8. TANGIBLE CAPITAL ASSETS

As at December 31, 2024

Cost	January 1, 2024 Opening		Depreciation	Additions	Transfers	Adjustments*	December 31, 2024 Closing	
	Balance						Balance	
Land	\$ 31,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,364	
Building	92,814	-	-	-	-	-	92,814	
Building Betterment	46,181	-	-	2,574	(535)		48,220	
Systems/M&E	2,273	-	-	-	-		2,273	
Vehicles	748	-	492	-	(10)		1,230	
Furniture	347	-	-	-	-		347	
ARO Asset	4,550	-	1,408	-	(43)		5,915	
Work in Progress	1,064	-	2,134	(2,574)	-		624	
	179,341	-	4,034	-	(588)		182,787	
Accumulated Depreciation								
Building	60,281	1,738	-	-	-		62,019	
Building Betterment	13,880	1,590	-	-	(515)		14,955	
Systems/M&E	2,273	-	-	-	-		2,273	
Vehicles	354	119	-	-	(10)		463	
Furniture	299	5	-	-	-		304	
ARO Asset	2,100	94	-	-	(41)		2,153	
	79,187	3,546	-	-	(566)		82,167	
Net Book Value	\$ 100,154	\$ (3,546)	\$ 4,034	\$ -	\$ (22)	\$ 100,620		

*Adjustments to tangible capital assets include a \$515 write-off for fully depreciated assets, the derecognition of an ARO asset due to the expired East District office lease, and immaterial asset adjustments incurred during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

8. TANGIBLE CAPITAL ASSETS (continued)

As at December 31, 2023

Cost	January 1, 2023 Opening Balance	Depreciation	Additions	Transfers	December 31, 2023 Closing Balance
Land	\$ 28,774	\$ -	\$ 2,590	\$ -	\$ 31,364
Building	92,814	-	-	-	92,814
Building Betterment	45,070	-	-	1,111	46,181
Systems/M&E	2,273	-	-	-	2,273
Vehicles	484	-	264	-	748
Furniture	347	-	-	-	347
ARO Asset *	3,995	-	555	-	4,550
Work in Progress	302	-	1,873	(1,111)	1,064
	174,059	-	5,282	-	179,341
Accumulated Depreciation					
Building	58,542	1,739	-	-	60,281
Building Betterment	12,416	1,464	-	-	13,880
Systems/M&E	2,273	-	-	-	2,273
Vehicles	310	44	-	-	354
Furniture	294	5	-	-	299
ARO Asset *	2,012	88	-	-	2,100
	75,847	3,340	-	-	79,187
Net Book Value	\$ 98,212	\$ (3,340)	\$ 5,282	\$ -	\$ 100,154

9. SHARE CAPITAL

The Company is authorized to issue 100 shares with no par value for a maximum consideration of one dollar per share. The shares can be issued only to the City, its agent or successor and are not otherwise transferable. As of December 31, 2024, and 2023, one share was issued.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

10. FINANCIAL RISK MANAGEMENT

Interest Rate Risk

Interest rate risk reflects the sensitivity of the Company's financial results and condition to movements in interest rates. Interest rate risk is limited for fixed subsidy properties as the effective interest rate after application of senior government interest subsidies is 2% per annum. Interest rate risk for the remaining mortgages is managed through the staggering of mortgage renewals and is locked in for longer terms through the Province [formerly Alberta Capital Finance Authority].

Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, receivables, and investments. Cash is placed with major financial institutions in conjunction with the City. Concentrations of credit risk with respect to receivables are limited due to the large number of residents and their dispersion across geographic areas within the City. A large proportion of receivables are also from government agencies which pose a lower credit risk to the Company. Credit risk resulting from the Company's investments is mitigated through the investment manager's compliance with the Board-approved investment policy which defines the accepted risk tolerance and fund structures.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its contractual cash outflow obligations as they come due. The Company mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining cash on hand. Refer to Note 6 for information on contractual maturities of mortgages payable.

Market Price Risk

The Company is exposed to market price risk, the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage the risk, the Company has established an investment policy with a target asset mix that is diversified by asset class. If market prices decreased by 1.0%, and all other variables were held constant, there would be a potential unrealized loss of \$215.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

11. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2024	2023
Accumulated surplus (Opening)	\$ 135,837	\$ 121,588
Surplus	15,496	14,249
Accumulated surplus (Closing)	\$ 151,333	\$ 135,837

	2024	2023
Operating deficits	\$ (3,425)	\$ (5,502)
Operating reserve	12,631	10,724
Capital reserve	45,173	34,740
Deferred capital contributions	163	163
Equity in tangible capital assets *	96,791	95,712
	\$ 151,333	\$ 135,837

* Equity in Tangible Capital Assets Breakdown

	2024	2023
Tangible capital assets (Note 8)	\$ 182,787	\$ 179,341
Accumulated depreciation (Note 8)	(82,167)	(79,187)
Long-term debt (Note 6)	(3,829)	(4,442)
Equity in tangible capital assets	\$ 96,791	\$ 95,712

Restricted amounts within the capital and operating reserves have matching restricted cash and restricted investments to support the reserve balances. Unrestricted amounts within the capital and operating reserves have matching cash and investments recognized as designated assets to support the reserve balances.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2024

11. ACCUMULATED SURPLUS (continued)

The operating reserve consists of restricted and unrestricted amounts as follows:

	2024	2023
Opening balance	\$ 10,724	\$ 9,184
Transfer from operations	1,907	1,540
Closing balance	\$ 12,631	\$ 10,724

The capital reserve consists of restricted and unrestricted amounts as follows:

	2024	2023
Opening balance	\$ 34,740	\$ 28,099
Use of reserve	(102)	-
Transfer from operations	10,535	6,641
Closing balance	\$ 45,173	\$ 34,740

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

12. RESTRICTED FUNDS

In 2024, the Company received restricted grants from the City, the Province, and CMHC to be used for specific purposes. These funds are recognized as restricted revenue in the period they are used for the purpose specified. Unused funding is placed into reserve in accordance with the underlying agreement(s). In 2024, the Company utilized \$12,456 [2023 - \$14,726] of restricted grants and recorded the related revenue, of which \$9,714 relates to revenue earned from government receivables while the remaining \$2,742 relates to revenue earned from deferred funding.

Information regarding the liabilities for restricted grants is as follows:

	Jan 1, 2024	Restricted Inflows	Revenue Earned*	Transfer to Reserves	Dec 31, 2024
	\$	\$	\$	\$	\$
The City of Calgary	\$ 590	\$ -	\$ (535)	\$ -	\$ 55
The Government of Alberta	4,155	1,992	(3,352)	(2,430)	365
CMHC	-	5,100	(114)	-	4,986
	<u>\$ 4,745</u>	<u>\$ 7,092</u>	<u>\$ (4,001)</u>	<u>\$ (2,430)</u>	<u>\$ 5,406</u>

*Of the \$4,001 in revenue earned, \$1,140 relates to the Montgomery 6 property fire damage repairs, which has been recognized under insurance recoveries revenue.

Grants received from the City have been restricted for preventative maintenance, non-recurring maintenance and infrastructure projects to support the provincial and local economies. The restricted grants provided by the Province have been restricted for capital spending, non-recurring maintenance, suite renovations, utilities, and feasibility studies for new housing projects. Grants received from CMHC have been restricted for the construction, repair and/or renovation of affordable housing units.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

13. ASSET RETIREMENT OBLIGATIONS

The following table summarizes the details of the asset retirement obligations:

	2024	2023
Balance, beginning of year	\$ 9,776	\$ 8,928
Change in estimate	1,342	555
Accretion expense	316	293
Balance, end of year	\$ 11,434	\$ 9,776

The Company has recognized asset retirement obligations for its CH-owned buildings and building betterments. Liabilities have been recognized in relation to the buildings and building betterments due to the identification of hazardous materials including asbestos, lead-paint, and polychlorinated biphenyls, which require retirement costs to be incurred for their disposal.

As of December 31, 2024, the estimated total undiscounted amount required to settle the asset retirement obligations, at current cost, is \$12,722 [2023 - \$12,748]. Expected payments for these asset retirement obligations are to be made over the following 67 years. The amounts have been inflated at a rate of 2.57 percent [2023 – 1.79 percent] and discounted using risk-free interest rates ranging from 2.74 percent to 4.27 percent [2023 – 2.77 percent to 4.11 percent], depending on the estimated time to settlement of the liability.

14. INSURANCE RECOVERIES AND INSURANCE EXPENSES

Insurance recoveries represent insurance claims recovered during the year. Insurance recoveries are recognized as revenue when received, or when reimbursement for the insurance claim has been confirmed by the insurer. The insurance claims are made by the Company to recover current year insurance expenses but may be processed during the current year or in later years.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

15. CONTINGENT ASSETS

Contingent assets are possible assets arising from existing conditions or situations that involve uncertainty. That uncertainty will be resolved when a future event not wholly within the Company's control occurs or fails to occur, and resolution of the uncertainty will confirm the existence or non-existence of an asset.

As of December 31, 2024, there are no contingent assets for the Company [2023 - \$63], as contractors are billing the City and Province directly.

16. CONTRACTUAL RIGHTS

Contractual rights are rights of the Company to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Year	Long-term lease and rental agreements		Restricted grants		Deficit Funding		Total	
2025	\$	781	\$	3,500	\$	3,500	\$	7,781
2026		295		3,500		3,500		7,295
2027		184		3,500		3,500		7,184
2028		81		3,500		3,500		7,081
	\$	1,341	\$	14,000	\$	14,000	\$	29,341

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

17. CONTRACTUAL OBLIGATIONS

The Company has contractual obligations related to project development, leases of land and office space, as well as from a loan agreement.

Contractual obligations on project development contracts amount to \$6,900, representing the uncompleted portion on contracts in effect as of December 31, 2024.

During the year, the Company received reimbursement of the leasehold improvement allowance pertaining to the corporate office lease. \$1,917 of the allowance was received as cash, while the remaining \$128 will be credited against future lease payments. A corresponding lease inducement liability has been recognized for this incentive and will be credited against rent expense, amounting to \$256 each year throughout the lease term until June 30, 2032. As of December 31, 2024, the liability has been reduced by \$128 with offsetting reduction to rent expense.

The approximate future minimum annual lease payments for the next five years are as follows:

Year	Land	Office Space	Total
2025	\$ 98	\$ 538	\$ 636
2026	98	553	651
2027	98	569	667
2028	98	584	682
2029	98	600	698
Thereafter	196	1,363	1,559
	<u>\$ 686</u>	<u>\$ 4,207</u>	<u>\$ 4,893</u>

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

18. RELATED PARTY TRANSACTIONS

The Company is related through control and common control to the City and all its business units and subsidiaries. Related parties also include key management personnel and their close family members.

Transactions with related parties, unless separately disclosed, are considered to be in the normal course of operations and are recorded at the exchange amount, which is substantially the same as would occur in an arm's length transaction.

The Company had the following transactions and balances with related parties reported in the Statement of Operations and the Statement of Financial Position. Transactions are recorded at the amount of consideration agreed upon between the related parties.

	2024	2023
Revenue		
Restricted revenue	\$ 14,813	\$ 11,682
Miscellaneous revenue	<u>200</u>	<u>-</u>
	15,013	11,682
Expenses and Other Items		
Administration	277	70
Return to The City of Calgary	<u>356</u>	<u>289</u>
	633	359
Receivable from related parties	8,826	6,492
Deferred revenue balance	\$ 25	\$ 590

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

18. RELATED PARTY TRANSACTIONS (continued)

The Company utilizes various administrative services and functions such as banking, insurance tendering, investment management, payroll, records management, safety training, as well as employee professional development. These costs are not allocated to, or recovered from, the receiving party and therefore are not recognized in the Statement of Operations.

During the year, the Company was exempted from paying municipal property taxes of \$1,460 [2023 - \$1,416] and provincial property taxes of \$792 [2023 – nil] on company owned properties.

19. CHANGES IN NON-CASH WORKING CAPITAL

	2024	2023
Receivables	\$ (3,751)	\$ 249
Accounts payable and accrued liabilities	2,764	(2,687)
Unearned revenue	683	(187)
Deferred funding	661	(4,826)
Payable to government	1,210	(110)
Rent supplement advance	471	(1,416)
Tenants' security deposits	88	37
Employee benefit obligation	449	575
Lease liability	1,917	-
Prepaid expenses	(158)	(177)
Total	\$ 4,334	\$ (8,542)

20. OTHER CONTRIBUTIONS

The Company recognized revenue on contributions received from external parties that were placed into reserves during the fiscal year. For the year ended December 31, 2024, \$873 was contributed to the operating reserve and \$3,027 to the capital reserve from the external funding.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2024

21. PROJECT DEVELOPMENT

The Company executed development management agreements with the City, effective September 26, 2024, for the following projects on City-owned land:

- Bridgeland Place – development of a new 180-unit mixed-income affordable housing facility
- Mount Pleasant – development of a new 16-unit affordable housing facility

The Company has recognized City-funded construction costs and related management fees as project development revenue, and the related expenditures as project development expenses within the financial statements. The project development revenue recognized during the year for these City projects was \$4,907, of which \$403 pertained to management fees earned. The Company has recognized \$2,853 in government receivables related to these developments for construction cost incurred through to December 31, 2024.

During the year, the Company recognized \$60 in project development revenue for preliminary grant-funded feasibility work on land owned by the Company.

22. APPROVAL OF BUDGET AND FINANCIAL STATEMENTS

Budget figures included in the financial statements were approved by the Board on May 24, 2024. The Board and Management have approved these financial statements.

STATEMENTS OF OPERATIONS BY PORTFOLIOS:

Private Non-Profit Portfolio

Calhome Owned Portfolio

Corporate Properties Residential Portfolio

City of Calgary Partnership Portfolio

City Owned Community Housing Portfolio

Provincially Owned Community Housing Portfolio

Rent Supplement Portfolio

Development Portfolio

The following information is supplemental and provided for informational purposes and as such has not been audited.

Private Non-Profit Portfolio (Unaudited)

This portfolio consists of 10 properties [2023 – 10 properties] owned by the Company, with 206 units [2023 – 206 units], all of which are residential, as listed below. The Provincial government subsidizes any operating deficits with the exception of the Lincoln Park Fanning Centre (LPK5), which receives a subsidy equivalent to the amount required to reduce debt financing costs to 2% per annum. The Company bears the responsibility of financial loss or surplus on the LPK5 property.

Property	Property Code	Number of Units
Bankview 2	BNK2	70
Beltline 1	BLN1	16
Capitol Hill 1	CAP1	18
Capitol Hill 2	CAP2	18
Crescent Heights 1	CRE1	9
Inglewood 1	ING1	10
Lincoln Park 1	LPK1	46
Lincoln Park 4	LPK4	1
Lincoln Park 5	LPK5	2
Lower Mount Royal 1	LMR1	16
Total		206

STATEMENT OF OPERATIONS
For the Private Non-Profit Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent revenue	\$ 1,340	\$ 1,473	\$ 1,327
Government Transfers			
Deficit funding	2,157	1,056	1,834
Restricted funds (Note 12)	1,210	735	620
Other contributions (Note 21)	-	597	-
Interest income	106	145	115
Investment income	48	35	9
Insurance recoveries (Note 14)	-	-	6
Miscellaneous revenue	26	61	38
	<u>4,887</u>	<u>4,102</u>	<u>3,949</u>
EXPENSES			
Administration	135	107	108
Salaries and benefits	737	769	714
Amortization of tangible capital assets (Note 8)	542	453	442
Accretion (Note 13)	84	90	81
Debt servicing	25	36	31
Maintenance	2,640	1,356	1,345
Property operations	551	463	546
Taxes and leases (Note 18)	96	1	83
Utilities	384	338	342
	<u>5,194</u>	<u>3,613</u>	<u>3,692</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(307)	489	257
SURPLUS / (DEFICIT)	<u>\$ (307)</u>	<u>\$ 489</u>	<u>\$ 257</u>

Calhome Owned Portfolio (Unaudited)

This portfolio is comprised of 41 properties [2023 – 41 properties] owned by the Company, with 1,654 units [2023 – 1,654 units], of which 1,649 are residential and 5 are non-residential. The Calhome Owned portfolio does not receive any subsidy from other levels of government. The Company may retain surpluses and is responsible for losses.

Property	Property Code	Number of Units
Abbeydale 5	ABB5	60
Abbeydale 7	ABB7	1
Albert Park 7	ALB7	36
Bankview 1	BNK1	26
Beddington 4	BED4	66
Beddington 5	BED5	15
Beltline 2	BLN2	47
Cedarbrae 3	CED3	9
Cedarbrae 4	CED4	51
Cedarbrae 5	CED5	14
Deer Ridge 5	DRG5	36
Downtown East Village 1	DNE1	163
East Village 1 - Commercial	DNE1C	4
Erinwoods 1	ERI1	58
Erinwoods 4	ERI4	72
Falconridge 3	FAL3	20
Falconridge 4	FAL4	28
Falconridge 5	FAL5	14
Falconridge 8	FAL8	4
Forest Heights 4	FHT4	2
Huntington Hills 6	HUN6	75
Lincoln Park 2	LPK2	63
Manchester 2	MAN2	117
Manchester 2 - Commercial	MAN2C	1
Mayland Heights 2	MAL2	100
McKenzie 2	MCK2	57
Millrise 1	MIL1	53

Calhome Properties Ltd.
Operating as 'Calgary Housing'

North Haven 3	NHV3	40
Penbrook Meadows 3	PEN3	77
Queensland 1	QLD1	56
Queensland 2	QLD2	20
Ranchlands 6	RAN6	50
Ranchlands 7	RAN7	55
Silver Springs 1	SIL1	31
Spruce Cliff 2	SPR2	2
Sunalta 1	SNA1	25
Tuxedo Park 1	TUX1	33
Varsity 1	VAR1	1
Vista Heights 2	VIS2	52
Whitehorn 3	WHI3	20
Total		1,654

Calhome Properties Ltd.
Operating as 'Calgary Housing'

STATEMENT OF OPERATIONS
For the Calhome Owned Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent revenue	\$ 22,763	\$ 23,689	\$ 21,893
Government Transfers			
Restricted funds (Note 12)	1,918	2,064	3,084
Interest income	802	1,557	937
Investment income	427	462	189
Insurance recoveries (Note 14)	-	42	37
Miscellaneous revenue	290	676	371
	<u>26,200</u>	<u>28,490</u>	<u>26,511</u>
EXPENSES			
Administration	1,084	898	877
Salaries and benefits	6,109	6,282	5,748
Amortization of tangible capital assets (Note 8)	3,001	2,915	2,841
Accretion (Note 13)	203	226	210
Debt servicing	74	80	100
Maintenance	6,590	6,061	7,534
Property operations	3,292	2,752	2,728
Taxes and leases (Note 18)	901	104	749
Utilities	1,871	1,801	1,822
	<u>23,125</u>	<u>21,119</u>	<u>22,609</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	3,075	7,371	3,902
OTHER ITEMS			
Inter-portfolio transfers	(225)	-	-
Government contribution (Note 8)	-	-	2,590
	<u>-</u>	<u>-</u>	<u>2,590</u>
SURPLUS	<u>\$ 2,850</u>	<u>\$ 7,371</u>	<u>\$ 6,492</u>

Corporate Properties Residential Portfolio (Unaudited)

The Company manages 21 properties [2023 – 22 properties] on behalf of the City, with 201 units [2023 – 214 units], all of which are residential. In 2024, the Company returned 13 units to the City. Any operating surplus is to be returned to the City.

Property	Property Code	Number of Units
Albert Park 8	ALB8	14
Crescent Heights 5	CRE5	34
Forest Lawn 4	FLN4	4
Greenview 1	GRV1	2
Highwood 1	HIW1	2
Manchester 1	MAN1	1
Montgommery 2	MON2	1
Ogden 7	OGD7	1
South West A	SCA1	1
Shepard Industrial 1	SHI1	106
Southview 1	SOV1	5
ST. Andrews Heights 1	STA1	2
Thorncliffe 2	THO2	4
Thorncliffe 3	THO3	5
Thorncliffe 4	THO4	3
Thorncliffe 5	THO5	3
West Hillhurst 1	WHL1	1
West Hillhurst 2	WHL2	5
West Hillhurst 3	WHL3	2
West Hillhurst 4	WHL4	3
West Hillhurst 5	WHL5	2
Total		201

STATEMENT OF OPERATIONS

For the Corporate Properties Residential Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent revenue	\$ 2,145	\$ 1,887	\$ 1,873
Government Transfers			
Insurance recoveries (<i>Note 14</i>)	-	-	10
Miscellaneous revenue	10	124	175
	<u>2,155</u>	<u>2,011</u>	<u>2,058</u>
EXPENSES			
Administration	144	109	113
Salaries and benefits	812	791	740
Amortization of tangible capital assets (<i>Note 8</i>)	5	7	2
Maintenance	465	387	441
Property operations	243	218	214
Utilities	286	143	259
	<u>1,955</u>	<u>1,655</u>	<u>1,769</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	200	356	289
OTHER ITEMS			
Return to The City of Calgary	(200)	(356)	(289)
	<u>(200)</u>	<u>(356)</u>	<u>(289)</u>
SURPLUS	\$ -	\$ -	\$ -

City of Calgary Partnership Portfolio (Unaudited)

This portfolio consists of 32 properties [2023 – 32 properties] owned by the City, with 1,181 units [2023 – 1,181 units], of which 1,176 are residential and 5 are non-residential. The Company manages these properties on behalf of the City.

Property	Property Code	Number of Units
Beltline 3	BLN3	46
Bridgeland 3	BRD3	58
Bridgeland 4	BRD4	24
Bridgeland 5	BRD5	6
Bridgeland 6	BRD6	2
Bridgeland 7	BRD7	6
Bridgeland 8	BRD8	2
Bridlewood 1	BR1	62
Crescent Heights 3	CRE3	40
Crescent Heights 4	CRE4	16
Downtown Core 2	DNC2	88
Downtown West End 1	DNW1	47
Forest Heights 5	FHT5	2
Forest Lawn 1 - Commercial	FLN1C	1
Garrison Green 1	GAG1	65
Highland Park 1	HPK1	16
Kingsland 1	KIN1	32
Louise Station - Commercial	DNC2C	1
Manchester 3	MAN3	132
Manchester 4	MAN4	88
Manchester 4 - Commercial	MAN4C	1
Mayland Heights 1	MAL1	65
Mount Pleasant 1	MOP1	45
Ogden 2	OGD2	60
Ogden 3	OGD3	10

Calhome Properties Ltd.
Operating as 'Calgary Housing'

Ogden Transitional - Commercial	OGD3C	1
Parkhill 2	PKH2	9
Peter Coyle - Commercial	MAN5C	1
Rosedale 1	RDL1	16
Springbank Hill	SPH1	150
Vista Heights 3	VIS3	41
Wildwood 2	WLD2	48
Total		1,181

STATEMENT OF OPERATIONS

For the City of Calgary Partnership Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent revenue	\$ 13,429	\$ 14,014	\$ 12,701
Government Transfers			
Restricted funds (<i>Note 12</i>)	5,769	3,450	4,216
Interest income	91	209	112
Investment income	201	244	197
Insurance recoveries (<i>Note 14</i>)	-	71	54
Miscellaneous revenue	357	763	528
	<u>19,847</u>	<u>18,751</u>	<u>17,808</u>
EXPENSES			
Administration	774	614	620
Salaries and benefits	4,786	4,485	4,187
Amortization of tangible capital assets (<i>Note 8</i>)	28	42	13
Maintenance	6,017	5,850	6,313
Property operations	3,047	2,789	2,769
Utilities	1,635	1,541	1,565
Project Development	2,615	-	-
	<u>18,902</u>	<u>15,321</u>	<u>15,467</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	945	3,430	2,341
*SURPLUS	<u>\$ 945</u>	<u>\$ 3,430</u>	<u>\$ 2,341</u>

*The Partnership portfolio's surplus for the fiscal year 2024 has been contributed to the reserve in accordance with the Board-approved reserve policy.

City Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 22 properties [2023 – 24 properties] owned by the City, with 840 units [2023 – 840 units], of which 837 are residential and 3 are non-residential. The Company manages this portfolio under a four-year agreement between the City and the Province. The agreement provides that the Province will provide \$4,500 of operating, and \$4,000 of capital funding per year.

Property	Property Code	Number of Units
Bowness 1	BOW1	30
Bowness 2	BOW2	6
Bowness 3	BOW3	10
Bowness 4	BOW4	14
Dover 1	DOV1	32
Dover 7	DOV7	73
Forest Heights 1	FHT1	26
Glenbrook 1	GBK1	30
Glenbrook 2	GBK2	22
Hillhurst 1	HIL1	80
Hillhurst 1 - Commercial	HIL1C	1
Hillhurst 2	HIL2	64
Hillhurst 2 - Commercial	HIL2C	1
Huntington 1	HUN1	24
Huntington 2	HUN2	18
Huntington 3	HUN3	30
Montgomery 1	MON1	26
Oakridge 1	OAK1	30
Ogden 1	OGD1	50
Penbrook Meadows 1	PEN1	27
Spruce Cliff 1	SPR1	245
West Dover 2 - Commercial	DOV7C	1
Total		840

STATEMENT OF OPERATIONS

For the City Owned Community Housing Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent revenue	\$ 5,123	\$ 6,310	\$ 5,025
Government Transfers			
Deficit funding	4,989	3,627	4,019
Restricted funds (Note 12)	16,442	5,863	4,212
Other contributions (Note 21)	-	3,303	4,863
Interest income	337	686	293
Insurance recoveries (Note 14)	-	-	45
Miscellaneous revenue	128	362	249
	<u>27,019</u>	<u>20,151</u>	<u>18,706</u>
EXPENSES			
Administration	551	436	463
Salaries and benefits	3,446	3,277	3,286
Amortization of tangible capital assets (Note 8)	20	30	10
Maintenance	11,835	9,119	6,123
Property operations	2,728	1,857	1,894
Utilities	2,114	1,443	1,773
Project Development	6,647	-	-
	<u>27,341</u>	<u>16,162</u>	<u>13,549</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(322)	3,989	5,157
*SURPLUS/ (DEFICIT)	<u>\$ (322)</u>	<u>\$ 3,989</u>	<u>\$ 5,157</u>

*The 2024 and 2023 surpluses for the City Owned Community Housing portfolio are a result from unutilized provincial funding and interest earned on existing reserve balances and have been contributed to reserves in accordance with the Board-approved reserve policy.

Provincially Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 105 properties [2023 - 105 properties] owned by the Province, with 2,702 units [2023 – 2,702 units], of which 2,699 are residential and 3 are non-residential. The Province subsidizes 100% of the deficits of this portfolio based on all accounts that are chargeable against the administration and operation of the portfolio in accordance with operating budgets and subject to any other agreements in writing of the buildings below, 53 properties are on City-owned land that is leased by the Province.

Property	Property Code	Number of Units
Abbeydale 1	ABB1	13
Abbeydale 2	ABB2	9
Abbeydale 3	ABB3	17
Abbeydale 4	ABB4	14
Abbeydale 6	ABB6	21
Albert Park 1	ALB1	7
Albert Park 2	ALB2	3
Albert Park 3	ALB3	4
Albert Park 4	ALB4	7
Albert Park 5	ALB5	9
Albert Park 6	ALB6	41
Applewood 1	APP1	53
Beddington Heights 1	BED1	40
Beddington Heights 2	BED2	50
Beddington Heights 3	BED3	2
Bowness 6	BOW6	2
Bowness 7	BOW7	9
Bowness 8	BOW8	27
Capitol Hill 3	CAP3	6
Castleridge 1	CAS1	16
Castleridge 5 [a]	CAS5	12
Cedarbrae 1	CED1	9
Cedarbrae 2	CED2	24
Cedarbrae 6	CED6	12
Crescent Heights 2	CRE2	20
Dalhousie 1	DAL1	64
Deer Ridge 1	DRG1	43
Deer Ridge 2	DRG2	30
Deer Ridge 3	DRG3	8
Deer Ridge 4	DRG4	10

Dover 2	DOV2	2
Dover 3	DOV3	12
Dover 4	DOV4	18
Dover 5	DOV5	4
Dover 6	DOV6	10
Downtown Core 1	DNC1	270
Edgemont 1	EDG1	84
Erinwoods 2	ERI2	14
Erinwoods 3	ERI3	84
Erinwoods 5	ERI5	28
Fairview 1	FAI1	1
Falconridge 1	FAL1	20
Falconridge 2	FAL2	8
Falconridge 6	FAL6	48
Falconridge 7	FAL7	49
Forest Heights 2	FHT2	7
Forest Heights 3	FHT3	14
Forest Lawn 2	FLN2	5
Forest lawn 3	FLN3	1
Glenbrook 3	GBK3	2
Glenbrook 4	GBK4	46
Haysboro 1	HAY1	1
Highland Park 2	HPK2	8
Huntington Hills 4	HUN4	1
Inglewood 3	ING3	6
Inglewood 8	ING8	18
Killarney 1	KIL1	17
Killarney 2	KIL2	13
Lincoln Park 6	LPK6	65
Macewan Glen 1	MAC1	74
McKenzie 1	MCK1	60
Midnapore 1	MID2	59
Midnapore 1 - Commercial	MID2C	1
Mission 1	MIS1	30
Montgomery 4	MON4	2
Montgomery 6	MON6	51

North Haven 2	NHV2	12
Ogden 4	OGD4	4
Ogden 5	OGD5	4
Ogden 6	OGD6	12
Parkhill 1	PKH1	32
Penbrook Meadows 2	PEN2	4
Pineridge 1	PIN1	62
Pineridge 2	PIN2	62
Pineridge 3	PIN3	24
Pineridge 4	PIN4	40
Ramsay 2	RAM2	8
Ramsay 7	RAM7	12
Ranchlands 1	RAN1	8
Ranchlands 2	RAN2	18
Ranchlands 3	RAN3	14
Ranchlands 3 - Commercial RL3	RAN3C	1
Ranchlands 4	RAN4	9
Ranchlands 5	RAN5	45
Ranchlands 8	RAN8	34
Renfrew 2	REN2	20
Rosscarrok 1	RCK1	50
Rundle 1	RUN1	55
Shawnessy 1	SHN1	37
South Calgary 1	SOC1	24
Southview 2	SOV2	40
Strathcona Park 1	STR1	63
Temple 1	TEM1	38
Temple 2	TEM2	8
Thorncliffe 1	THO1	7
Vista Heights 1	VIS1	23
Whitehorn 1	WHI1	16
Whitehorn 2	WHI2	8
Whitehorn 4	WHI4	2
Willow Park 1	WIL1	22
Winston Heights 1	WIN1	7
Woodbine 1	WBN1	18

Calhome Properties Ltd.
Operating as 'Calgary Housing'

Woodlands 1	WOO1	56
Woodlands 2	WOO2	87
Woodlands 2 - Commercial WL2	WOO2C	1
Total		2,702

Calhome Properties Ltd.
Operating as 'Calgary Housing'

STATEMENT OF OPERATIONS

For the Provincially Owned Community Housing Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent revenue	\$ 13,562	\$ 13,353	\$ 12,624
Government Transfers			
Deficit funding	15,921	15,765	12,607
Restricted funds (Note 12)	399	344	2,593
Insurance recoveries (Note 14)	900	1,334	287
Miscellaneous revenue	442	1,506	645
	<u>31,224</u>	<u>32,302</u>	<u>28,756</u>
EXPENSES			
Administration	1,595	1,409	1,415
Salaries and benefits	10,437	10,540	9,772
Amortization of tangible capital assets (Note 8)	65	97	30
Accretion (Note 13)	-	-	1
Maintenance	7,030	9,992	7,131
Property operations	4,084	3,744	3,874
Taxes and leases (Note 18)	1,046	1,046	1,046
Utilities	6,292	5,474	5,487
Project development	900	-	-
	<u>31,449</u>	<u>32,302</u>	<u>28,756</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(225)	-	-
Inter-portfolio transfers	225	-	-
	<u>225</u>	<u>-</u>	<u>-</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Rent Supplement Portfolio (Unaudited)

CH is the designated agent to administer the Rent Supplement Programs in Calgary and surrounding areas on behalf of the Province.

STATEMENT OF OPERATIONS
For the Rent Supplement Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Rent supplement funding	\$ 22,670	\$ 23,498	\$ 23,913
	<u>22,670</u>	<u>23,498</u>	<u>23,913</u>
EXPENSES			
Administration	456	403	401
Salaries and benefits	728	787	764
Amortization of tangible capital assets (Note 8)	2	2	1
Rent supplement	21,484	22,306	22,747
	<u>22,670</u>	<u>23,498</u>	<u>23,913</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Development Portfolio

This portfolio represents the new service line being provided by the Company for capital development work. Projects owned by the Company are treated as capital expenditures and are recorded on the balance sheet, whereas projects owned by the City are accounted for on the income statement.

STATEMENT OF OPERATIONS
For the Development Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2024

	BUDGET	2024	2023
REVENUE			
Project development (<i>Note 21</i>)	\$ -	\$ 4,967	\$ -
	-	4,967	-
EXPENSES			
Administration	-	234	-
Maintenance	-	11	-
Project development (<i>Note 21</i>)	-	4,505	-
	-	4,750	-
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	-	217	-
SURPLUS	\$ -	\$ 217	\$ -