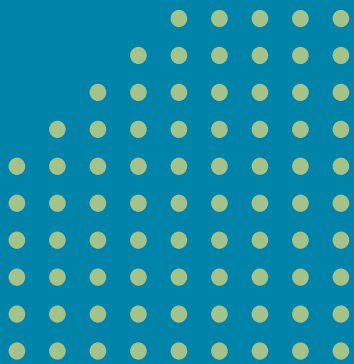
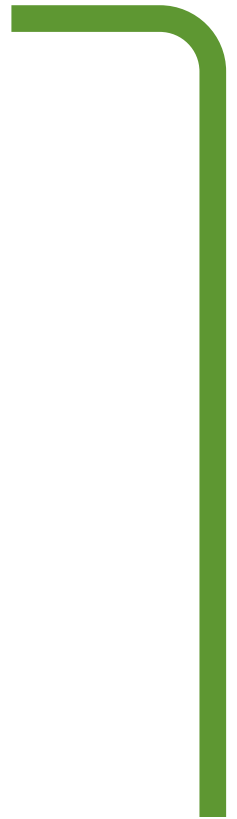




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Calgary
Housing
Company

ANNUAL REPORT

Why Affordable Housing...



Your organization was a light in a very dark place. You literally helped to save my life.

I want to start by saying thank you!

I know I may just be another client to you but to me, your organization was a light in a very dark place. I know none of this needs to be said, but my heart tells me I need to share it.

Your organization came into my life at a time when I wasn't sure how I was going to survive day to day. Not only did I have the stress of my marriage having ended, and bills piling up, while having my 2 children to care for but my depression had come back with a vengeance and I literally was not sure I was going to survive, honestly. Your program literally helped to save my life. I was vulnerable and feeling so alone and as if by the Grace of God, you came into my life.

I remember crying in the office the day I found out I was going to get help. I felt like someone was finally providing a lifeline. I had felt like I was drowning for so long and someone finally heard my cries for help and threw me a lifeline. I cry even now as I write this letter, thinking of what could have been and the relief I felt that day, sitting in that office. I just needed you to know how deeply grateful I was and still am.

Thank you again for all that you do for the community and all you have done for my children and I. We met some of our best friends living in this home and without your program, that would not have been possible.

I thank you from the bottom of my heart.

*Thank you letter to CHC from a resident
January 2021*

WELCOME

ANNUAL REPORT 2021

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OUR MISSION

Make life better for Calgarians through the provision of safe, affordable housing to low and moderate income households.



A MESSAGE FROM BOARD CHAIR WILL BRIDGE

I have had the great honour and privilege to serve on the Board of Directors of Calgary Housing Company for the last three years and assume the role of incoming Chair in 2021. To say that these last two years have been eventful and challenging for CHC would be a tremendous understatement. The COVID-19 pandemic has disrupted every sector of the Canadian economy and CHC was not immune. The management team responded incredibly well to these challenges, the very real need for affordable housing in our City and has positioned the company to manage and operate affordable housing in service to Calgary and Calgarians.

Your Board of Directors is committed to excellence in governance and strong support of the management team at CHC. The organization has many challenges ahead as it works to deliver on its mission to provide affordable housing for those in need, adapt to changes in the affordable housing environment, and become a national leader in this work.

This is a challenging mandate. The way in which affordable housing is developed, funded, and managed is shifting. Governments, at all levels, are re-thinking their roles and strategies in the delivery of affordable housing. This creates challenges and opportunities for us to continue to transform our approach from what was historically a housing regulator to a purpose-driven social enterprise able to really focus on the needs of the community and our clients.

Responding to these challenges and opportunities, Calgary Housing Company has embarked on an exciting transformation that is positioning the organization to continue and advance with its good work now and into the future. This effort is comprehensive and will position CHC for sustainability and will also allow it to build expertise, capacity, and resilience. In this report, you will see that we are well on our way toward this end.

As the organization transforms to meet the future, our board has also been adapting. I am very pleased to be the first Citizen Representative to take on the role of Board Chair. This is an important development as CHC redefines its relationship with The City of Calgary as part of The City's organizational realignment process.

Lastly, after another very challenging year under COVID-19, I would like to commend the leadership, management, and all staff at CHC for the incredible work they have done to serve our residents and move our organization into the future.



CALGARY HOUSING COMPANY BOARD OF DIRECTORS



Will Bridge
Citizen Member
Chair



Kourtney Penner
Calgary City Council



Courtney Walcott
Calgary City Council



Victoria Bradbury
Citizen Member



Aaron Brown
City Administration



Melanie Hulsker
City Administration



Jauvonne Kitto
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Travis Moir
Citizen Member



Murray Tait
Citizen Member



Sue Tomney
Citizen Member



Jeremy Villas
Citizen Member



Ellen Wright
Citizen Member



OUR VISION

Calgary Housing Company is the leading affordable housing provider in Canada supporting individual and community well-being.



Sarah Woodgate
President

A MESSAGE FROM CHC PRESIDENT SARAH WOODGATE

Transformation and resilience – those two words summarize an incredible year at Calgary Housing Company.

The theme of resilience is one that was demanded of every organization and every person as we continued to exist under the ever-present shadow of COVID-19. If something like a global pandemic can ever be normalized, we saw that happen in 2021.

Throughout the year, teams in every aspect of our business modified according to changes in restrictions and safety needs and kept getting the job done. And then they changed again ... and again. After another year of COVID measures, responding to this incredible demand became a matter of course. Finding and engaging supports for residents, modifying maintenance processes to ensure work was done safely, normalizing new procurement processes for everyday work and major projects... these became another aspect of the work done.

While we modified virtually every aspect of the business, our organizational transformation continued and moved from planning to implementation.

The environment in which we operate continues to be dynamic. The need for affordable housing remains significant and growing. Governments have indicated

a commitment to remain involved in the sector but their commitment to investing in building and operating affordable homes is less clear.

Economic uncertainty is also a key consideration as we plan for the long term. Though we see a budding boom in Alberta, not very long ago the picture was markedly different. Increased economic activity may bring benefits but can also be accompanied by significantly higher utility and other costs. Forecasting for the future remains incredibly challenging and we have an obligation to build a sustainable organization that can flourish in both good times and bad.

The fundamental intent of all of the organizational changes, the new roles and structures, and the new ways of doing business is to transform CHC to operate as a purpose-driven social enterprise rather than a housing regulator. This means understanding all aspects of sustainability from cost control to revenue generation, developing a market-orientation in which we appeal to market tenants whose contribution will help sustain deeper subsidy programs, and collaboration with our traditional partners in government while finding new ways to work with community partners and others.

All through 2021, we moved from planning and strategizing on this vision to implementing the



transformation. We rolled out a revamped structure that will allow us to more effectively manage our operations and serve our customers. We welcomed new staff and leaders with new expertise and put in place teams that are more aligned with the new vision of how we work. We engaged with our partners at the Government of Alberta and The City to work toward a more sustainable future.

Throughout this report you will see examples of the work accomplished and the incredible effort of the people who make this organization work.

Some important highlights:

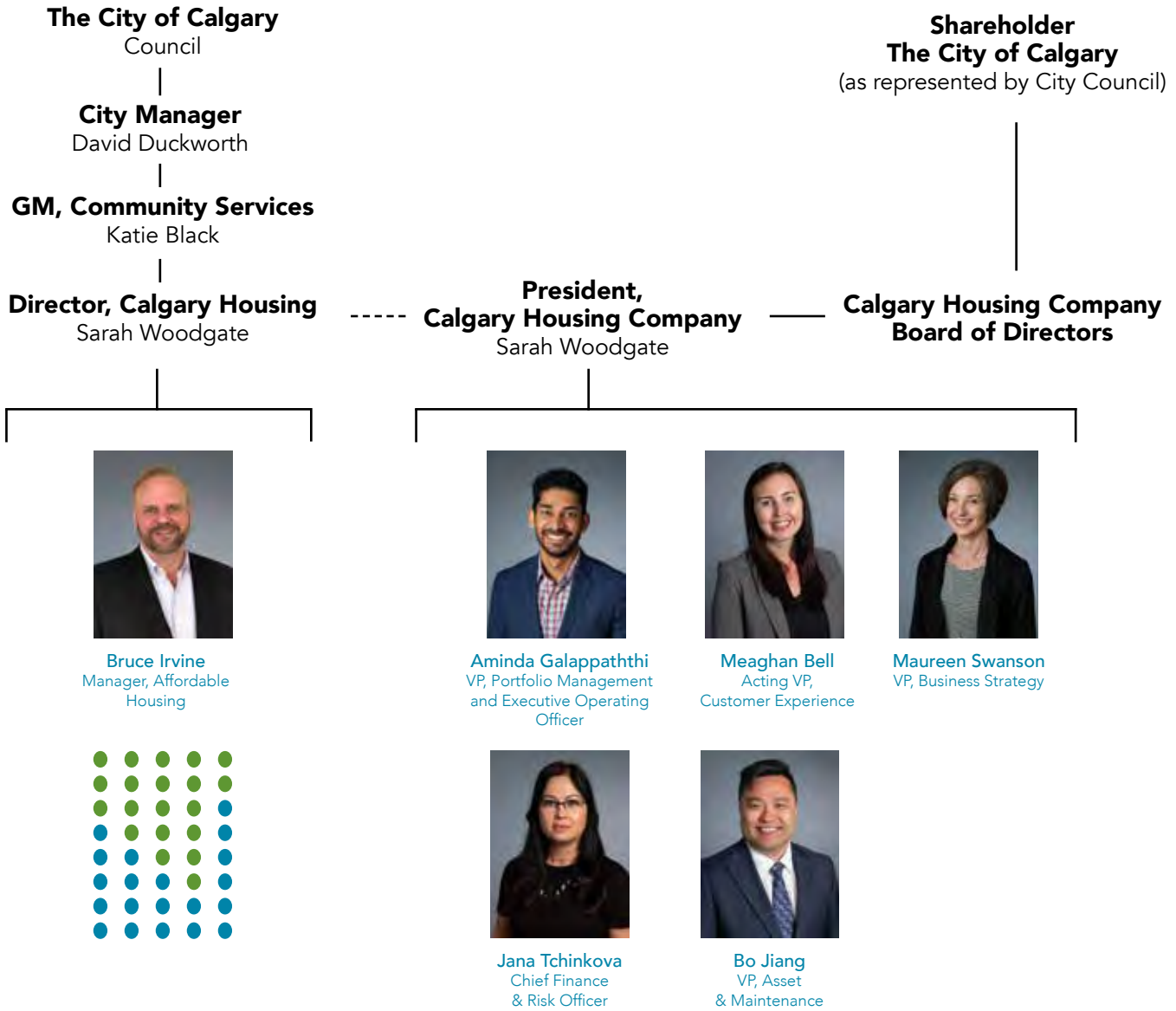
- CHC expanded ongoing efforts on Indigenous Reconciliation, anti-racism, and Equity, Diversity and Inclusion planning at many levels from leadership development to staff education and engagement
- The focus on resident support through the pandemic has been phenomenal with continued emphasis on eviction prevention, food security support, wellness checks, cooperation with partners to organize on-site vaccines, and a commitment to safe delivery of service
- The leveraging of technology for service improvements as we rolled out online portals to serve both applicants and residents, and

introduced the new Work Order system and mobile maintenance app for field staff

- 2021 saw a more concerted effort in government relations with expanded internal capacity and expertise informing advocacy efforts and engagement through the municipal and federal elections as well as enhanced community engagement with industry including the Alberta Seniors and Community Housing Association (ASCHA)
- And we continued to engage with our residents. Throughout the year as families and individuals struggled with the challenges of the pandemic, we saw over and over again that we were never alone in our efforts to support those who needed help in our community. And though our partners from the community, the agency sector, and The City of Calgary were always there... they were often joined, or led, by our residents who were there to support their neighbours.

The demands of the day and of the future remain and will continue to evolve. I am confident the resilience we saw through 2021 and the rewards of our transformation have us well-positioned to meet those demands and continue to serve those in need of the support we provide.

CHC GOVERNANCE & MANAGEMENT TEAM



A NEW MANAGEMENT STRUCTURE

One of the first milestones for the organizational design in 2021 was the execution of the new management structure for Calgary Housing Company in April 2021.

The new configuration reflects the CHC organizational structure comprising five divisions, down from the six that were previously in place.

Following implementation of the new structure, executive team members worked collaboratively to define the next layers of the organizational design, determine staffing strategies, and coordinate the phased rollout of CHC's future state design across all divisions for November 2021.

Please see the Transform Calgary Housing section for further information.



Housing Programs

Community Housing

These programs are designed to help low-income Calgarians who pay more than 30 per cent of their income for housing. This program provides the deepest level of subsidy

- Rents set at no more than 30 per cent of eligible income
- Minimum monthly rents from \$120 - \$350
- Income must be below Housing Income Limits
- Annual income verification
- This program has a waiting list
- Provincially Regulated

Affordable Housing

This program is designed for Calgarians able to afford slightly more for rent but who still require rental assistance. Participants in the program pay fixed rents set approximately 30 per cent below average market rents.

- Fixed rents set 30 per cent below market average
- Income must be below Housing Income Limits
- Annual Income verification
- Available units may be offered to applicants on the wait list or advertised to market applicants

Near Market

Units marketed to Calgarians who are close to being able to afford current private market rent levels. This social enterprise category generates revenue to support other housing programs for low income Calgarians.

- Rents approximately 10 per cent below average market rents
- Income must be below Maximum Income Limits specific to the Near Market program
- There is no waitlist for this program – available units are advertised to the open market

Rental Assistance

Provide rent support to tenants housed with private landlords including non-profit housing providers. Tenants must meet the same qualifying criteria as applicants to the Community Housing program. The number of supplements available is determined by Provincial funding levels.

- In 2021 the Province introduced the Rental Assistance Benefit to replace the Direct to Tenant Rent Supplement and the new Temporary Rental Assistance Benefit
- Average monthly subsidy in 2021 was \$674 for RAB and \$200 for TRAB
- Total budget for 2021 was \$18.9M

Mixed Income Model

Calgary Housing Company is transitioning to a mixed-income housing model to reduce our dependency on government funding. We will generate surplus revenues to support our resident and business needs more independently through a mixed-income model. CHC's mixed-income model will apply to sixty percent of our homes by 2024. Our goal is to transition our Operating Agreements and all of our homes to the mixed-income model.

The mixed income model benefits residents by delinking specific housing units from specific programs. Under existing models, a resident in Community Housing whose household

income increases above specified limits would be required to vacate or move to another property under a different program with higher limits. In the mixed income model, that household could be transitioned to a new program without having to move to a new location. This supports greater stability, reduces inconvenience and cost, and removes a disincentive for residents to increase their incomes.

In July 2020, CHC successfully signed a new operating agreement with the province for the City Owned Community Housing Portfolio (CHP). That means, by 2024, over 60 per cent of the housing operated by CHC will have transitioned to a mixed income model.

THE NEED FOR AFFORDABLE HOMES



1 in 5 Calgary households struggle to pay shelter costs

According to The City's definition, a household is in need of affordable housing when it earns less than 65 per cent of Calgary's median income and spends more than 30 per cent of its income on shelter costs.

75%

Three out of four Calgary households have insufficient income to buy a single family home.

81K → 100K

Need for affordable housing in Calgary is anticipated to grow to over 100,000 households by 2026.

\$53K

Household income required to afford the average rent for a 2-bedroom apartment in Calgary.



By the NUMBERS

OUR RESIDENTS

25,000+

Calgarians live in a CHC-managed property

Resident Age

Two out of five people living with CHC are under age 18. Though CHC does not operate programs specifically geared to seniors, almost 1 in 10 residents is 65 or older.

18 - 64

51.4%

<18

40.4%

65+

8.2%

Households by Program Type

Although a move to more mixed-income to support sustainability has begun, Community Housing is still the largest housing program operated by CHC.

Community Housing 43%

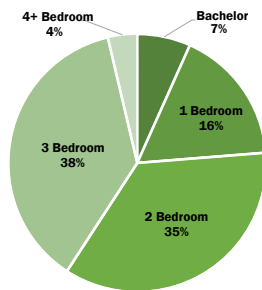
Rent Assistance: 25%

Near Market: 22%

Affordable Housing: 10%



CHC-MANAGED HOMES



Home Size

Applicant need has shown more demand for one and four-bedroom units - this informs planning for new developments.

7,100+ HOMES

Calgary Housing Company is the largest residential landlord in Calgary. This refers to physical units of housing - an additional 2,085 households received rent supplements with private landlords.



Townhouse
3,289 Homes



High Rise
1,426 Homes



Walk-Up
1,216 Homes



Single Family-Duplex-Triplex
962 Homes



Mobile Home
106 Pads

The Housing Continuum

A healthy supply of housing across the housing continuum ensures that Calgarians can rely on housing that fits their budget and circumstances.



PORTFOLIOS AND OWNERSHIP

CalHome (CHC)-Owned

CalHome Owned (DOF)	40 Properties	1,654 Units	No Subsidy
Private Non-Profit (PNP)	10 Properties	206 Units	Province Funds Operating Deficits

City-Owned

City of Calgary Partnership (INT)	32 Properties	1,181 Units	Operating Surplus partially returned to City with remaining portion funding CHP portfolio and building repairs
Corporate Properties Residential (CPR)	8 Properties	222 Units	Operating Surplus returned to City
City-Owned Community Housing (CHP)	24 Properties	1,052 Units	Managed as a social housing mixed income model under an interim four year \$34M operating and capital grant agreement between The City and Province, expiring at end of 2024.*

Provincially-Owned

Provincially-owned Community Housing (HAM)	105 Properties	2,702 Units	Prov. Funds Operating Deficits
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* Properties transition to the new agreement as individual property agreements expire.

Note : total unit counts vary slightly in Portfolio versus Property Types due to unit counting methodology.

// If we did all the things we are capable of doing, we would literally astound ourselves. //

- Thomas Edison



A(nother) Year of COVID

In the late winter of 2020 when the Novel Coronavirus had just begun to come to our attention, we had no idea what we would be capable of doing. When lockdowns and restrictions and remote working became the norm, we had no idea that two years later we would just begin to emerge, uncertainly, from under the cloud of COVID-19.

For the entire year of 2021, Calgary Housing operated in "pandemic mode". Mandatory work-from-home meant relatively few people were in their traditional workspaces. Entire new processes were developed and implemented for delivering services, engaging with colleagues, supporting residents, processing documents... and though the "new normal" never seemed to become normal, the lights stayed on, the doors stayed open and the work got done.

COVID-19 never resulted in fewer affordable homes from CHC. Applications were processed. Support services were engaged. Maintenance continued. Major projects moved ahead. The complete overhaul of CHC's organizational structure went into full implementation.

CHC staff at all levels collaborated with partners in City departments, health care providers, and service agencies to facilitate vaccination opportunities at CHC-managed properties. Information was shared and updated and updated again to ensure residents and staff

alike were aware of the current conditions, the guidelines, the restrictions, and the options and supports available to them.

And the heat came on. The buildings stayed open. Families moved in or moved on. Rent supplements were paid on time. And we kept operating.

In fact, we did so much more. Amidst all the internal machinations of a large organization - the work in finance, and asset management, and business strategy - while all of that was going on, we redesigned the organization and then got to work building the new paradigm. Entire new teams were put in place. New leadership structures were activated and key leaders were recruited and hired and given their laptops.

Character. Commitment. Collaboration. Competence. CHC embraces the Four Cs that guide City of Calgary staff. In 2021 Calgary Housing Company was an absolute model for this philosophy.

In 2021, we saw more clearly everything we are capable of... it was astounding.

In June 2021, CHC conducted the third biennial Resident Satisfaction Survey since 2017. Six hundred resident households responded to the survey with representation from all program areas and housing ownership portfolios.

The survey is conducted to gather important feedback and build upon the results obtained in 2017 and 2019. The areas covered are focused on understanding the resident experience related to service delivery, processes, and customer service. The survey is conducted by a professional polling agency.

Results provide value for both strategic and operational purposes. For example, data indicating concern with building condition supports advocacy efforts to secure more maintenance funding while an increase in resident concerns over personal security can inform decisions regarding building security, site lighting, and support services.



2021 RESIDENT SATISFACTION



Highlights from the survey

- Overall satisfaction with services provided by CHC remains high at 74 per cent, relatively stable versus 73 per cent in 2019 and 77 per cent in 2017
- Residents were highly satisfied with CHC's COVID-19 response. Aware of the efforts by CHC to limit the spread of COVID-19: 92 per cent, believed CHC's response was quick: 89 per cent, and helpful (88 per cent).
- Satisfaction with the lease signing process rose from 82 per cent in 2019 to 87 per cent in 2021. Residents agreed that staff who signed their lease were professional and provided the information they needed (92 per cent). Suggestions to improve the lease signing process included simplifying and shortening the process.
- Although satisfaction rates with building and home have increased compared to 2019, they remain an area for improvement. 64 per cent of residents said they were satisfied with the condition of their property, 59 per cent were satisfied with the condition of their building and 69 per cent were satisfied with condition of their home.
- Residents who responded to the survey were generally satisfied with repair quality at 82 per cent, and timeliness of repairs at 79 per cent.

74% Overall positive satisfaction

92% Positive on CHC's COVID response

59% Satisfied with condition of building

Transform Calgary Housing IMPLEMENTING OUR FUTURE

The Transform Calgary Housing initiative was put in motion to help chart the path for Calgary Housing Company (CHC) to achieve its long-term goal of becoming the leading affordable housing provider in Canada. This initiative helps CHC respond to a changing environment by setting a roadmap so the organization remains strong and sustainable.

Our transformation will ensure we prioritize resident wellbeing by creating equitable, inclusive communities and supporting residents to reach their highest potential.

This approach incorporates new operating agreements, improved customer experience, improved asset stewardship, a new organizational design, and prepares the organization's culture and employees to embrace change.

Throughout 2021 CHC made significant strides toward our transformation goals:

- Completed an organizational review providing the foundation for a coherent and common understanding of CHC operations and;
- Developed an organizational strategy that will enable CHC to deliver on its Mission and Vision and to position the organization to become the leading affordable housing provider in Canada.

Organizational Design

CHC reached a major milestone in June 2021 with the full organizational design and rollout to all staff. A phased implementation plan was developed to operationalize CHC's future state structure, with the first phase beginning in November 2021. The organizational design process was focused on structures that will enable CHC to be successful over the long term. The process aims to create an organization that can support CHC's workforce to succeed, and one where CHC is able to attract and retain employees.

The organizational redesign will support CHC to:

- define long-term strategies for its properties,
- continually improve customer service,
- enable holistic management of assets, and
- provide greater role clarity, clearer decision-making and ultimately a workforce that is set up for success.

In fall of 2021, our transformation began in earnest. This marked a transition from planning into the start of what is expected to be a multi-year transformation.

Phase 1 of the implementation focused on enacting the new design that allows CHC to build a foundation focused on its functional design. The organizational design was based on identifying the functions CHC performs and organizing them into five divisions:

Customer Experience	Asset Services	Finance & Risk	Portfolio Management
<ul style="list-style-type: none"> • Tenant Success & Strong Communities • Strategic Partnerships • Applications • Leasing • Tenancy Mgmt 	<ul style="list-style-type: none"> • Asset Mgmt • Asset Investment Planning • Project Execution • Building Operations & Maintenance Services 	<ul style="list-style-type: none"> • Financial Forecasting • Financial Analysis & Reporting • Investment/Financial Strategy & Policy • Supply & Procurement 	<ul style="list-style-type: none"> • Strategic Real Estate Planning • Portfolio Performance • Operating Agreements • Acquisitions, Divestiture & Development
<p>Business Strategy</p> <ul style="list-style-type: none"> • Transformation, Strategy & Business Planning • Communications & Government Relations • Professional Development, Safety, Health & Wellness • Business Technology & Data Management • Governance & Office Management 			

Benefits

The new design enables better delivery of quality programs and services to residents as CHC partners with them to achieve positive outcomes through the provision of affordable housing. It will also enable CHC to enact its functional design and better respond to the changing environment of affordable housing to achieve its vision.

Next Steps

It is important to note that the implementation of the new organizational design is the beginning, not the end, of this process. Implementation of the Blueprint will be a multi-year process. Changes to our operating model, business practices, and organizational culture are long term initiatives.

Looking forward, a large focus of 2022 will be stabilizing the organizational design as CHC works to ensure that the processes, systems, tools and training are in place to support staff.

Other transformation activities that will advance in 2022 include:

- Finalizing the transformation Roadmap and its three components: the Blueprint (the destination), Implementation Plan (the direction), and the CHC Playbook (the culture guide).
- Creating the portfolio management team, function, and model.
- Implementing the functional design recommendations through the CHC workplan and strategic plan.

PROVINCE ANNOUNCES NEW AFFORDABLE HOUSING STRATEGY

In November 2021, the Government of Alberta launched *Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing*. The strategy seeks to shift more affordable housing properties to a mixed-income model and increase support for affordable housing across the province by 25,000 households to 87,000 by 2032/33. This includes adding 13,000 more affordable housing units and supporting an additional 12,000 households through for rental supplements.

The Province plans to transition many of the existing provincially-owned housing to private or non-profit housing providers and partnerships to enable real estate assets to be renewed and repurposed. Stronger Foundations also reinforces the government's plans to shift its role from being a builder and owner of affordable housing to being a funder and a regulator for the affordable housing sector.

The strategy was informed by recommendations released by the Affordable Housing Review Panel in December 2020 and focuses on five key action areas:

- Support Albertans most in need
- Improve access
- Increase capacity, planning and governance
- Enhance sustainability and efficiency
- Enable growth and investment

CHC was pleased to see the province's renewed commitment as a funder of affordable housing and supports the targets to increase the housing supply by 25,000 households to serve low- and moderate-income Albertans.

CHC is particularly interested in the following elements from *Stronger Foundations* including the development of an asset management framework; a five-year maintenance and redevelopment plan for government-owned

assets; enhanced rent supplement funding; local affordable housing needs assessments; centralized provincial housing portal; support of mixed-income operating models; provision of redevelopment grants; and enhanced support or co-located services on site.

For 2022, the key elements of the strategy to be implemented include developing and implementing an Affordable Housing Asset Management Framework; creating an Affordable Housing Partnership Framework; and working with municipalities on local needs assessments.

CHC will continue to engage the Government of Alberta as they advance the affordable housing strategy and to ensure the outcomes of the strategy have a positive outcome on CHC residents and Albertans most in need of housing.

Bill 78: Implementation Legislation

Alongside the release of *Stronger Foundations*, the Government of Alberta tabled Bill 78, Alberta Housing Amendment Act, 2021. The Bill enables broad Ministerial powers for the Minister of Seniors and Housing including defining what is considered affordable housing and who is considered an affordable housing provider and lays the groundwork to allow the Province to enter into partnerships to improve and expand Alberta's affordable housing supply.



Bridlewood

In July, residents began moving into our newly constructed Bridlewood mixed income property. This property has 62 units, including 14 barrier free two-bedroom, 34 two-bedroom and 14 standard four-bedroom units.

The property is now home to over 170 residents paying a range of rental rates under the mixed income model. A variety of rental rates are used at this mixed-income property based on program type and unit size. Rates for rent-geared-to-income units run from \$450 - \$860, while near-market rates go up to \$1650.

This site was previously the location of a temporary fire hall and was deemed surplus and allocated to Calgary Housing in 2018. The design team addressed the community feedback garnered during three phases of engagement, and façade variations were noted by the community.

The community expressed a desire to keep the green, forest space behind this site and ensure the community has access with a dedicated pathway.

This development has 31 per cent better overall energy performance than required in National Energy Code of Canada for Buildings (2015).

State of the art, innovative, green building techniques and materials were used in construction to maximize energy efficiency and limit environmental impact. One of the buildings is equipped with solar panels, which will not only improve energy performance and reduce greenhouse gas emissions, but will also offset the cost of utilities for families living here.

The total project cost was \$18.1M, including land price, regional walkway, and the community hub.

About the project

- 10 buildings
- 14 four-bedroom units
- 48 two-bedroom units
- 14 of the units are barrier free
- Community resource building, with a kitchen and washroom
- open park space for residents and community

INITIATIVES AND PROJECTS

Calgary Housing Company works in close collaboration with The City of Calgary Affordable Housing division of the Calgary Housing Business Unit. Affordable Housing supports the delivery of new affordable housing units by securing land, managing building design and construction, balancing City funding for new units, and working with citizens to ensure new affordable housing developments are well integrated into Calgary's communities. Affordable Housing also conducts research to enable evidence-based decisions, create policies and programming that advance affordable housing in our city and support advocacy efforts with our government partners.



In 2021, several major property initiatives were announced or moved forward.

Redevelopments

Bridgeland Place

In March 2021, Calgary City Council approved a recommendation from Calgary Housing Company to close Bridgeland Place – a 210-unit highrise complex that had experienced significant operating challenges for a number of years. The closure is planned to be completed in early 2023.

CHC immediately began a comprehensive program of support for residents to keep them informed of the plans, timelines for the closure and to provide them support in transferring to other CHC-operated housing or other options.

While CHC focused on maintaining operations and supporting residents, the Affordable Housing team initiated a feasibility study to assess the opportunity to renovate or redevelop the site including planning for engagement with stakeholders including residents, neighbours and the broader community. While the preference is to replace the 210 affordable units (at a minimum) within Bridgeland, other neighbourhoods will be considered if deemed most beneficial.

At the end of 2021, 108 units in the complex remained occupied. Final closure is anticipated in early 2023.

Rundle Manor

As had been previously announced, Rundle Manor, a 76-unit townhouse complex located in Northeast Calgary, was closed at the end of June 2021. Demolition began later in the year and wrapped up in early 2022. The City's Affordable Housing team is now working on the redevelopment of the site with the target of approximately 135 new affordable homes in a mixed-income complex providing homes for over 500 Calgarians.

New Developments

Varsity

An exciting project that will break ground in 2022 is the Varsity Multi-Service Redevelopment Project – an initiative introduced to replace the existing Varsity Fire Station 17. The City is building a multi-service facility that includes the redevelopment of the fire station and 48 units for Calgary Housing and other services to the community.

The project aims to provide efficient and effective service delivery through a multi-use site, allowing multiple users to provide community services from one location. This aligns with Calgary City Council direction to identify opportunities for a more efficient use of land, fewer corporate sites and reduced operating costs.

This marks The City's first integrated facility under its Integrated Civic Facility Planning Program (ICFP), which was introduced to address needs for services in actively developing areas in Calgary.

Mount Pleasant

Work continues on planning for a 16-unit affordable housing development in the community of Mount Pleasant. The project is located on City-owned land located on the former site of St. Joseph School on 6th Street NW. A community park adjacent to the affordable housing site has been completed and is open for public use. The mixed-income complex will include 1, 2 and 3-bedroom units as well as accessible units. Construction could start in 2022.

The full description for this priority is to “Deliver quality service to clients that contributes to their individual and community wellbeing”. This speaks to the heart of what Calgary Housing Company is about. At the core, CHC is a property management company that rents homes to residents. CHC is a landlord.

That view, however, misses the life-changing impact that a stable, secure, affordable home has for individuals and families. That home provides a foundation for entire lives to be made better. And, importantly, delivering those homes puts CHC in a perfect position to help our residents to connect in their community, to access resources and supports that strengthen their wellbeing... which, in turn, makes our community a better place for everyone.

A core philosophy at The City of Calgary is “Making Life Better Every Day” – CHC is perfectly positioned to deliver on this goal.



Strategic Priority 1

Deliver Quality Service

COVID Support

Throughout the COVID-19 pandemic CHC staff have been on the front lines where the impact was felt – where families and individuals already in crisis lost jobs and income, where regular support services were shut down, where food security became a major concern.

Food distribution efforts were a major, ongoing support activity undertaken by our Tenant Liaison (TL) team. Families who had been self-sufficient suddenly found themselves in crisis. In cooperation with partners including Meals on Wheels, Calgary Youth Centre, Edgemont Community Association, Umoga/Soccer Without Boundaries, as well as community churches, TLs coordinated weekly food distribution and other food security support throughout the year.

Gift cards donated by I-Can-4-Kids were distributed to households in

need or used to purchase and deliver groceries. Staff also partnered with Calgary Neighbourhoods to distribute activity kits for kids ages 6-12. COVID-safety kits, care packages, and supplies such as hand sanitizer and masks were distributed to high-risk populations. Some program providers moved their activities online, the Calgary Public Library delivered books, and the City of Calgary Youth Employment program worked hard to connect young people with job opportunities. Many other program providers found ways to maintain the support the provided for residents and their families through the pandemic

The TL team and other staff also made regular Wellness Checks throughout the year – phoning or (when safe and appropriate) visiting residents to determine if they required assistance and to simply make a connection with people who were often isolated and lonely.

- **Alberta’s New Find Housing Digital Service**
- On June 30, the Ministry of Seniors and Housing soft launched the new website for the Find Housing Digital Service (findhousing.alberta.ca).
- This service is a digital tool that provides relevant and personalized information for citizens seeking information on affordable housing options. CHC participated by providing data on our unit count and from our rent café as well as information about the One Window program and by coordinating engagement sessions with our Tenant Advisory Group (TAG).

Partnership Strategy

In service of the Mission to “Make life better for Calgarians through the provision of safe, affordable housing...”, CHC goes beyond property management to assist with support, engagement and opportunity for the residents who live in CHC-managed properties. Partnerships are at the heart of this work.

In 2021, CHC focused efforts on developing a deeper understanding of our current partnerships and renewing partnership agreements and working relationships.

In 2021, CHC successfully partnered with a wide variety of community partner organizations including:

- Calgary Legal Guidance At Home with Law project
- Southeast Community Resource Centre
- Rise Calgary & Southeast Community Resource Centre – Mobility Coaching project
- Carya – Stronger project
- Hull Services – Financial Empowerment program
- Momentum – promotion of financial literacy and other programs
- Umoja Community Mosaic – City-wide culturally appropriate food hamper program

In all, CHC has over 100 partnerships ranging from City of Calgary partners such as Calgary Neighbourhoods to Community Associations, social service agencies, advocacy and support organizations, faith-based groups, immigrant support, recreation programs, educational groups, and initiatives to empower individuals and families.

Resident Communications

At the beginning of the pandemic, CHC quickly launched a newsletter for residents as an immediate response to the critical need to engage with residents as COVID-19 forced the closure of CHC’s district offices and severely limited opportunities for engagement.

Through 2021, the newsletter shifted to provide a broader range of important information to approximately 5,000 households every second Friday. Engagement with the newsletter is very strong with an average open rate of 60 per cent versus an industry average of 24 per cent.

CHC’s web presence continued to reach a significant audience with an average of 32,500 users per month visiting the site. The majority of visits were for application related information.

Online Portals for Applicants and Residents

- 2021 saw the ushering in of a new era in customer service with the launch of two new online service portals - Applicant Portal and Resident Portal – systems enabled as part of the new data management system launched in 2020.
- The Applicant Portal replaces an often cumbersome and inefficient paper-based application system. With the Portal, applicants are able to create a secure online account, complete their application, upload support documents, and also update their applications and check on their status.
- The Resident Portal provides an exciting set of tools for those living in CHC-managed properties. They can update their information, check on account status, process annual rent review information and submit maintenance requests on-line. As with the Applicant Portal, all of these benefits for the user also result in a much more efficient process for staff managing this information and responding to resident requests.

New Rental Assistance Programs

In March 2021, the Province of Alberta introduced two new rental assistance programs – the Rental Assistance Benefit (RAB) and Temporary Rental Assistance Benefit (TRAB) - to replace previously offered rent supplement programs that had been put on hold in 2020.

The RAB program is a long-term benefit offering support for residents living with private landlords. The TRAB is a new benefit offering a more modest subsidy for up to two years – intended to provide support for applicants between jobs or otherwise seeking temporary support to stabilize their circumstances.

Existing participants in the Direct to Tenant rent supplement program were to be transitioned into the RAB program. The TRAB program was

entirely new.

For 2021, the Province allocated \$18.75M in funding for Rental Assistance offered through CHC.

The program announcements were welcomed as a commitment from the province to continue funding rent supplements with private landlords. This programming provides important flexibility for Albertans in need of support and effectively increases the supply of affordable housing by making privately operated rentals affordable.

At year end, there were 2,166 households in all Rental Assistance programs of which 195 were in the new TRAB program. As of March 2022, this had increased to 2,339 total Households with 307 in TRAB.

Calgary Housing Company undertakes a challenging balancing act in order to fulfill its role in supporting those in need of housing support. The management of assets, operations, and finance requires significant insight and foresight to ensure we meet the immediate needs of the people we serve while preserving the long term sustainability of the organization to meet those needs in the future.

In 2021, major strides were achieved in executing on these responsibilities from fundamental changes such as the transition of the Community Housing Portfolio to the mixed-income model to implementation of sophisticated financial planning around reserves and investment. Effective management of major projects, capitalizing on funding opportunities, execution of sound asset management programs - these are the hallmarks of a professional organization well positioned for long term success.



Strategic Priority 2

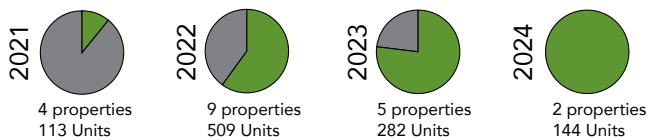
Achieve Operational & Financial Sustainability

CHP Transition

In the summer of 2020, CHC celebrated a significant milestone as The City and the Province signed a four-year operating agreement for the 1,000 homes in the City-owned Community Housing Portfolio (CHP).

- Will enable the continued provision of housing to a range of households that fall under the income thresholds, and will allow people to stay housed in their current accommodation for as long as possible before they progress through the housing continuum.
- Reduces reliance on government funding.

CHP Portfolio Transition



Total units transitioning: 1048

Throughout 2021, CHC transitioned the first four of the properties to new CHP agreement. Work is underway for the next nine properties (509 units) to be transitioned in 2022.

This agreement was a significant step forward in the transition to a mixed-income model. The agreement:

- Provides operating and capital funding certainty which enables the preservation of existing affordable housing supply and keeps families housed.
- Stipulates opportunities to simplify administration, providing significantly more operating flexibility and is less prescriptive compared to existing social housing regulation.

Municipal Stimulus Plan Funding

In late 2020 the government of Alberta announced Municipal Stimulus Plan funding for affordable housing that would come to total \$15M for CHC. The funds were to be used for lifecycle replacements in the CalHome-owned or City of Calgary Partnership portfolios – properties that do not normally receive -Provincial funding.

CHC's Asset Management and Maintenance Team was able to schedule and deliver nearly 100 per cent of the spend by year end with the primary activity including major mechanical upgrades and energy efficiency upgrades at Manchester 2 – a 117-unit highrise, a significant number of suite renovations across both portfolios and funding support for the demolition of the Rundle Manor property redevelopment project.

Capital Delivery

CHC's Project Delivery (major projects) and Building Operations (suite renovations) teams were successful in achieving a 90 per cent spend target in 2021's capital program, one of the largest capital programs in CHC's history. The team was successful in closing out over 130 separate capital projects worth over \$25M.

Below is the MacEwan 1 building envelope project, an example of the work completed.



MacEwan 1
Before ▲
After ►

Reserve Strategy Project

CHC made significant progress in the development of a Reserve Strategy after the Calgary Housing Corporate Management Team (CHCMT) approved the Project Charter and Plan in 2020.

In 2021 a Reserve Framework was completed and subsequently approved by CHCMT in early 2022.

The work to develop the Reserve Strategy encompassed a comprehensive review of the company's financial position and understanding the different types of business scenarios that warrant the need for reserves to fund emergencies, operating and capital expenditures. It also required thorough legislative research to ensure that allocation of reserves follow industry standards. The Strategy will be followed by the creation of a Reserve Policy and Terms of reference that governs how and when Reserves are to be allocated and utilized.

Next steps will see the Framework and Report presented to the Board's Asset and Risk Management committee and later the full Board.

Budget Forecasting

In 2021 CHC piloted a new, integrated budgeting and forecasting process. A cross-divisional leadership group was assembled to share information from their areas at the start of the budget development.

This process brought forward priorities, opportunities, and challenges from each area of the business to provide a comprehensive understanding of relevant information for the budget development. For example, this process identified potential efficiencies and revenue generation options from different areas.

This pilot reflects CHC's objective of increasing financial sustainability. Other initiatives include the implementation of a reserve strategy to better anticipate revenues and costs. These actions will strengthen operational and financial ability to create a sustainable mixed-income model with high-performing assets.

CHC Investment Policy

In 2017, Calgary Housing Company (CHC) Administration saw an opportunity to improve its investment returns and to formalize its investment beliefs and objectives through creation of an Investment Policy. CHC Administration then drafted and received approval of the Investment Policy from the Board. In 2020, CHC signed a Service Level Agreement (SLA) with The City of Calgary's Treasury department and subsequently CHC approved a phased implementation plan.

During the first eight months of 2021, CHC implemented all four phases of its plan resulting in \$17.8 million being invested with the City in short and long-term investments. The Investment Policy enables CHC to increase its investment rate of return and further support the affordable housing mission.

COFLEX Funding for COVID Costs

To offset the costs of COVID-19, CHC received funding under the COFLEX program from The City of Calgary in 2020 and 2021. A total of \$850,000 was received against reported expenditures. CHC continues to monitor COVID-19 related costs to maintain financial sustainability by closely monitoring budgets, identifying potential savings, and measuring performance.

Work Order Management & Maintenance Mobility App

One of the major internal transformations underway at Calgary Housing Company has been the development, rollout, and integration of our new data management system. In 2020, the Enterprise System Solution (ESS) project rolled out the new system across the organization.

In 2021, a major step forward was taken with the rollout of the work order management tool and the associated maintenance mobility app. This system allows for the real-time management of work orders from the field providing significant efficiency and also generates high quality data for analysis. Further advances including more advanced scheduling functionality and a continued learning around the data resources being developed will move forward in 2022 and beyond.

Asset Management – Building Condition Assessments

CHC's Asset Management team reached a significant milestone in the Strategic Asset Management Plan by completing Building Condition Assessments (BCAs) across almost 30 complexes in two key portfolios.

BCAs were completed on all of the 20 complexes with over 1,000 suites in the City-owned Community Housing Portfolio. In the CalHome-owned Portfolio, BCAs were completed on 35 per cent of all units in the portfolio – representing eight properties with almost 600 housing units.



2021 was a remarkable year for progress on Calgary Housing Company's strategic priority of Realizing Organizational Excellence.

Despite the ongoing challenges of operating through the pandemic, the organization maintained robust programs focused on health and wellness, leadership development, cultural learning on diversity, inclusion and anti-racism, and engagement with partners, government and peers in housing, anti-poverty, and community development. At the same time, the comprehensive rollout of the new organizational design was completed, launched, and implemented.

Strategic Priority 3

Realize Organizational Excellence

.....

Health and Wellness

2021 saw the second year of the implementation of the Healthy Workplace plan with significant successes including updates to the Safety Line and Working Alone Policies as well as continued workplace inspections and completion of leader training. Throughout the year, a series of wellness interviews with leaders were shared on the corporate intranet providing an opportunity for existing and new leaders to share their perspectives on subjects from staff and client safety to personal resilience and psychological wellness.

Leadership Development

A wide-ranging program of formal and informal leadership development activities remained a priority through 2021. Building on an overall focus of leading through transformational change, primary sessions were held each quarter with a focus on subjects including psychological safety, authentic leadership, and inclusivity.

The value of the program was evident in the increase in scores on Leadership Impact as noted in the results of the Employee Survey.

Employee Satisfaction

Calgary Housing's overall satisfaction index remained strong in the 2021 Employee Satisfaction Survey. There was a slight decrease in overall satisfaction at CH from 2019 results (down three points to 115), however this decrease had been anticipated due to the high volume of organizational change and the significant stressors related to the COVID-19 impacts. Significant strengths included a gain of 14 per cent in the area of "culture of accountability" as well as gains in "leadership impact" and "role clarity".

The organization will maintain a focus on leadership impact and accountability in order to maintain the momentum of the past couple of years and to build on the growing strength in these areas. A key focus for the Executive Leadership Team will be the refining of process and procedures in the new organizational structure.

CRRRA Customer Service Award

The whole organization was incredibly proud in the fall when CHC Housing Administrator Kim Slipetz-Comrie received the CRRRA Customer Service Award recognizing individuals who excel in their respective area of business and continually provide outstanding service to the residential rental industry.

Housing Partnership Canada 2021 Research Study

As a member of Housing Partnership Canada CHC participated in a 2021 research study: Targeted Environmental Scan – National and International Best Practices to Support Healthy Affordable Housing Communities. This was an exciting opportunity to learn more about how healthy affordable housing communities are defined, created, maintained, and measured.

Government Relations

The Government Relations function was strengthened significantly in 2021 to support CHC engagement and advocacy within the public policy landscape. The Board approved an updated Government Relations Strategy for 2021-2023 in Q2 and approved CHC's candidate engagement plans for the Fall 2021 federal and municipal elections in Q3. A new Leader position for Government Relations and Communications was also created and filled in Q3, allowing the organization to manage its strategic engagement and advocacy efforts more effectively going forward.

Anti-Racism, Equity, Diversity, and Inclusion

In 2021, Calgary Housing Company Executive Leadership Team started a conversation about systemic racism and its impacts.

The development of an anti-racism strategy and action plan was identified as necessary for an intentional approach to identifying and addressing racism within Calgary Housing's service delivery, policies, and practices and to support a goal to provide racism-free environments for employees and the people CHC serves.

A number of initiatives were undertaken or started in 2021:

- Following discussions at the Shareholder, Board and Executive Leadership levels, administration began work on development of a scope of work for an anti-racism strategy. In Q1 2022 the Board approved that scope of work which will see an anti-racism strategy developed starting in 2022.
- Staff across the organization participated in Orange Shirt Day acknowledging the legacy of residential schools and honouring the survivors

and their families. A facilitated coffee chat was held to reflect and acknowledge September 20 as National Day for Truth and Reconciliation.

- At the 2021 All Employee Day staff participated in a hosted engagement component on the Indigenous practice of family recognition. The history and intent of the practice were discussed and staff were invited to participate and share their history in the spirit of the practice. The Day also included a session on Unconscious Bias for all staff.
- A full session of the 2021 Leadership Development program focused on training in inclusive leadership.
- During the 2021 Board Retreat the Board received training on inclusive design for consideration in the development of the organization's new strategic Plan.
- In December, the Board approved the Equity, Diversity, and Inclusion (EDI) Policy which will inform the operations of the Board.

I want to take a moment to pause and appreciate how far we have come this year. We are turning the page on some major changes such as the pandemic and the transformation.

I'm truly excited for the year ahead. I think we've made a great start! As always, I am grateful and humbled by the commitment and resilience of CHC staff and the opportunity to help make lives better every day through the provision of housing.

- CHC President Sarah Woodgate, March 2022



CHC Priorities for 2022

LOOKING AHEAD

As Calgary Housing Coming moves forward in 2022, priorities that fall under the CHC Strategic Plan 2016-2022 will continue to advance.

Workplan highlights aligned with the Board's three Strategic Priorities

Strategic Priority #1: Deliver quality service to clients that contribute to their individual and community well-being

- Community Housing Portfolio (CHP) Transition
- Advancing Partnerships
- Client Centric Framework including the final launch of Applicant and Tenant Portals

Strategic Priority #2: Achieve operational and financial sustainability

- Reserve Strategy Framework
- Refresh Asset Management Program
- Establish Portfolio Management Team
- Develop a 2023-2026 Operational and Capital Budget

Strategic Priority #3: Realize organizational excellence

- Corporate Realignment between CHC and The City of Calgary
- CHC Anti-Racism Strategy
- TCH Roadmap and its three components: Blueprint, Implementation Plan, and Culture Playbook
- Creation of a new long-term CHC Strategic Plan

Financial Statements

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

December 31, 2021

Independent Auditor's Report

To the Directors of
Calhome Properties Ltd.

Opinion

We have audited the financial statements of Calhome Properties Ltd. ('Operating as Calgary Housing Company') ('Calhome'), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, remeasurement gains and losses, change in net assets and cash flow 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, 2021, and the results of its operations, changes in its net assets, and its cash flows 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 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 judgment 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.

The image shows a handwritten signature in cursive that reads "Deloitte LLP". The signature is written in dark ink on a light-colored background.

Chartered Professional Accountants
March 18, 2022

STATEMENT OF FINANCIAL POSITION
(Expressed in Thousands of Dollars)

As at December 31, 2021

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash (Note 3)	\$ 41,855	\$ 45,972
Receivables		
Rent and others	1,355	1,029
Government	9,781	6,058
Investments (Note 4)	<u>17,899</u>	<u>-</u>
	<u>70,890</u>	<u>53,059</u>
 Liabilities		
Accounts payable and accrued liabilities	18,762	14,131
Unearned tenant rent revenue	2,475	2,383
Deferred funding (Note 12)	5,391	9,340
Payable to government	1,642	1,205
Rent supplement advance (Note 5)	6,063	3,562
Tenants' security deposits	1,109	1,096
Mortgages payable (Note 6)	6,037	7,491
Employee benefit obligation (Note 7)	<u>2,334</u>	<u>2,437</u>
	<u>43,813</u>	<u>41,645</u>
 NET ASSETS	 27,077	 11,414
 Non-Financial Assets		
Tangible capital assets (Note 8)	96,899	95,103
Prepaid expenses	<u>620</u>	<u>1,774</u>
	<u>97,519</u>	<u>96,877</u>
 Accumulated remeasurement gains	76	-
Accumulated surplus (Note 11)	<u>124,520</u>	<u>108,291</u>
	<u>\$ 124,596</u>	<u>\$ 108,291</u>

See accompanying notes

On behalf of the Board



Chair



President

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

For the year ended December 31, 2021

	<u>BUDGET</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Rent revenue	\$ 48,881	\$ 51,046	\$ 49,985
Government Transfers			
Provincial deficit funding	19,064	17,409	18,200
Restricted funds (Note 12)	34,053	21,718	14,270
Rent supplement funding	18,750	16,349	17,787
Interest income	698	286	529
Investment income	-	488	-
Insurance recoveries (Note 13)	23	41	59
Miscellaneous	1,119	952	1,071
	<u>122,588</u>	<u>108,289</u>	<u>101,901</u>
EXPENSES			
Administration	4,064	3,349	4,072
Salaries and benefits	20,788	20,088	19,517
Amortization of tangible capital assets	3,148	3,009	2,900
Debt servicing	205	224	257
Maintenance	37,667	29,648	27,747
Property operations	11,949	11,335	10,747
Rent supplement	17,818	15,530	16,958
Taxes and leases	2,037	1,904	1,996
Utilities	10,483	11,202	10,509
Insurance (Note 13)	-	3	11
	<u>108,159</u>	<u>96,292</u>	<u>94,714</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	14,429	11,997	7,187
OTHER ITEMS			
Return to The City of Calgary	(325)	(124)	(200)
City of Calgary surplus retained	(693)	(649)	(1,044)
Loss on asset disposal	-	(2,447)	-
	<u>(1,018)</u>	<u>(3,220)</u>	<u>(1,244)</u>
SURPLUS	<u>\$ 13,411</u>	<u>\$ 8,777</u>	<u>\$ 5,943</u>

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
(Expressed in Thousands of Dollars)

For the year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	\$ -	\$ -
UNREALIZED GAINS ATTRIBUTABLE TO:		
Portfolio investments designated fair value	<u>76</u>	<u>-</u>
	<u>76</u>	<u>-</u>
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	<u>\$ 76</u>	<u>\$ -</u>

STATEMENT OF CASH FLOWS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Surplus	\$ 8,777	\$ 5,943
Non-cash items:		
Amortization of tangible capital assets	3,009	2,900
Loss on asset disposal	2,457	-
City owned community housing reserve	8,363	-
Change in non-cash working capital (<i>Note 18</i>)	<u>727</u>	<u>5,383</u>
	<u>23,333</u>	<u>14,226</u>
CAPITAL ACTIVITIES		
Addition of tangible capital assets	(7,271)	(3,980)
Proceeds on disposal of tangible capital assets	<u>9</u>	<u>-</u>
	<u>(7,262)</u>	<u>(3,980)</u>
FINANCING AND INVESTING ACTIVITIES		
Repayment of long term debt	(1,454)	(1,176)
Transfer from deferred capital contribution	(911)	(300)
Purchase of investments	<u>(17,823)</u>	<u>-</u>
	<u>(20,188)</u>	<u>(1,476)</u>
NET (DECREASE) INCREASE IN CASH DURING THE YEAR	(4,117)	8,770
CASH, BEGINNING OF YEAR	45,972	37,202
CASH, END OF YEAR (<i>Note 3</i>)	<u>\$ 41,855</u>	<u>\$ 45,972</u>

See accompanying notes

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

For the year ended December 31, 2021

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
ANNUAL SURPLUS	\$ 13,411	8,777	\$ 5,943
TANGIBLE CAPITAL ASSETS			
Additions of tangible capital assets	(10,488)	(7,271)	(3,980)
Loss on asset disposal	-	2,457	-
Net proceeds on disposal of tangible capital assets	-	9	-
Amortization of tangible capital assets	3,148	3,009	2,900
Transfer to operating	-	(911)	(300)
	<u>(7,340)</u>	<u>(2,707)</u>	<u>(1,380)</u>
OTHERS			
City owned community housing reserve	-	8,363	-
Decrease (Increase) in prepaid expenses	-	1,154	(121)
Accumulated remeasurement gains	-	76	-
	<u>-</u>	<u>9,593</u>	<u>(121)</u>
CHANGE IN NET ASSETS	6,071	15,663	4,442
NET ASSETS, BEGINNING BALANCE	11,414	11,414	6,972
NET ASSETS, ENDING BALANCE	<u>\$ 17,485</u>	<u>\$ 27,077</u>	<u>\$ 11,414</u>

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2021

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 and was continued under the Business Corporations Act of Alberta on May 29, 1985. The Company also uses the trade name of Calgary Housing Company ["CHC"] which was registered on March 5, 2001.

The Company delivers safe and affordable housing to Calgarians. Some of the housing is provided under agreements with The City and The Province of Alberta [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.

In June 2020, the Company implemented a new Enterprise Resource Planning system, which necessitated a review of the property and unit definitions. Based on this review, CHC revised the property and unit counts for fiscal year 2021 as reported in the current year's financial statements.

CHC Private Non-Profit Portfolio

This portfolio consists of 206 units [2020 – 207] 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 [2020 – 1,730] owned by the Company with no direct subsidy from any governmental agency.

During the year the City decommissioned its Rundle 2 property which was included in this portfolio. This accounts for the decrease in unit count from 2020 to 2021.

Corporate Properties Residential Portfolio

This portfolio consists of 222 units [2020 – 233] owned by The City of Calgary. 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, 2021

City of Calgary Partnership Portfolio

This portfolio consists of 1,181 units [2020 – 1,192] owned by The City of Calgary. The Company manages a variety of affordable housing units on behalf of The City. The Company is authorized to maintain a replacement reserve for this portfolio. This portfolio receives no subsidy. Historically, the portfolio has returned surpluses to The City and deficits have been funded by The City.

In 2018, the Company received Council approval to retain future operating surpluses starting in 2019. These surpluses will be utilized for operating and capital needs in the City-owned Community Housing portfolio.

During the year the City built its new Bridlewood property, which was added to this portfolio. This property addition offset decreases due to the revised unit count.

City Owned Community Housing Portfolio

This portfolio consists of 1,052 units [2020 – 1,059] owned by The City and managed by the Company. Any operating deficits are subsidized by the Province, according to a new four-year agreement effective January 1, 2021. According to this new 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 of Calgary.

Provincially Owned Community Housing Portfolio

This portfolio consists of 2,702 units [2020 – 2,703] owned by the Province of Alberta. The Company assumed the management of this portfolio in 2001. The Province subsidizes 100% of the deficits of this portfolio.

Rent Supplement Portfolio

This portfolio is a provincial government program, administered by the Company, to provide rental subsidies paid to the private landlords and tenants. The Company receives reimbursement of administration fees incurred for this program at a rate of \$31 per unit per month.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as 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

Rents charged to tenants are based on market or below-market rents outlined in the agreements with The Province and The City and are recorded on an accrual basis. Rental revenue includes rents and other sundry revenues.

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.

Investments

The Company has investments representing funds from the restricted replacement reserve, the deferred capital contribution, the operating 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 is derecognized, the accumulated remeasurement gain or loss is reclassified to the statement of operations and accumulated surplus as a profit or loss.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

[i] 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.

[ii] 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, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Replacement Reserve

The Replacement Reserve is funded by a charge against accumulated surplus. The Province, The City and CHC determine an annual provision for the Replacement Reserve for certain properties. Disposition of the reserve, other than for replacement costs, is subject to the approval or direction of the Province, The City and CHC administration [Notes 3 and 11].

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.

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.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, useful lives of tangible capital assets, accrued liabilities and allowance for doubtful accounts. Actual results could differ from those estimates.

Management continues to assess the impact of the novel coronavirus ["COVID-19"] and governments' response to it. The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared, where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future.

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, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements

Asset Retirement Obligation

Asset Retirement Obligation (“PS 3280”) provides guidance relating to obligations to retire tangible capital assets of a Public Sector entity that are predictable and unavoidable. This standard is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

Revenue

Revenue (“PS 3400”) provides guidance on the recognition of revenue that distinguishes between revenue that arises from transactions that include performance obligations and from transactions that do not have performance obligations. This standard is effective for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

Purchased Intangibles

Purchased Intangibles (“PSG-8”) provides guidance on the recognition and reporting of purchased intangibles acquired through arm’s length exchange transactions. This standard is effective for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

The Company is currently assessing the impact these new standards will have on the financial statements.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2021

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:

	2021	2020
	\$	\$
Restricted		
Tenants' security deposits	1,109	1,096
Rent supplement fund advance (<i>Note 5</i>)	6,063	3,562
Restricted replacement reserve	1,406	7,146
Restricted city owned community housing reserve	8,363	-
Restricted operating reserve	-	536
Provincial emergency fund	802	802
Deferred capital contributions	759	5,070
Deferred funding (<i>Note 12</i>)	5,391	9,340
	23,893	27,552
Unrestricted	17,962	18,420
	41,855	45,972

During the year \$17,823 of cash was invested with the City. This represented \$5,960 of the restricted replacement reserve, \$536 of the restricted operating reserve, \$3,400 of the deferred capital contributions and \$7,927 of unrestricted cash.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2021

4. PORTFOLIO INVESTMENTS

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

	2021			
	\$			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents held for investing purpose	501	-	-	501
Government of Canada bonds	-	3,762	-	3,762
Other Canadian government bonds	-	2,749	-	2,749
Canadian corporate bonds	-	4,970	-	4,970
Fixed Income Pooled Funds	-	902	-	902
Global Equity	-	5,015	-	5,015
	501	17,398	-	17,899

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 \$17,899 (2020 – \$0). The average yield earned from investment during the year was 2.73% (2020 – 0%). 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. The investments are invested 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 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 collects on its portion of investments.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

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 tenants, and an administration fee. All payments to landlords and tenants 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 tenants 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 current balance of this advance is \$6,063 [2020 - \$3,562].

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

6. MORTGAGES PAYABLE

There is one mortgage remaining for a fixed subsidy property, in the amount of \$75 [2020 - \$83]. This mortgage has an interest rate, before the senior government interest subsidy, of 0.68% per annum [2020 - 0.68% per annum]. The maximum effective interest rate of the fixed subsidy mortgage to the Company after subsidy payments is 2% per annum over the mortgage term to renewal.

The remaining mortgages are in the amount of \$5,962 [2020 - \$7,408]. The interest rate of these mortgages varies from 0.68% to 6.45% per annum [2020 - between 0.68% and 6.45% per annum].

The mortgage repayment schedule is as follows:

Year	\$
2022	783
2023	813
2024	616
2025	513
Thereafter	3,312
	<u>6,037</u>

Related land and buildings have been pledged as collateral for mortgages payable. The net book value of land and buildings pledged amounts to \$31,865 [2020 - \$25,838] as at December 31, 2021.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

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:

	2021	2020
Members' Rate up to YMPE	8.39%	8.39%
Members' Rate over YMPE	12.84%	12.84%
Employers' Rate up to YMPE	9.39%	9.39%
Employers' Rate over YMPE	13.84%	13.84%

The current service contributions by the Company, as reflected in 'Salaries and Benefits' to the LAPP, were \$1,265 [2020 - \$1,579]. The current service contributions by the employees allocated to the LAPP were \$1,143 [2020 - \$1,426].

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

8. TANGIBLE CAPITAL ASSETS

Cost	Jan 1, 2021	Additions	Transfers	Disposals	December 31, 2021
	Opening Balance				Closing Balance
	\$	\$	\$	\$	\$
Land	27,957	-	636	-	28,593
Building	96,721	-	-	(3,907)	92,814
Building Betterment	32,727	-	9,172	(653)	41,246
Systems/M&E	2,273	-	-	-	2,273
Vehicles	480	26	-	(22)	484
Furniture	347	-	-	-	347
Work in Progress	4,372	7,245	(9,808)	-	1,809
	164,877	7,271	-	(4,582)	167,566
Accumulated Depreciation					
Building	56,773	1,772	-	(1,741)	56,804
Building Betterment	10,211	1,185	-	(361)	11,035
Systems/M&E	2,269	6	-	-	2,275
Vehicles	236	44	-	(14)	266
Furniture	285	2	-	-	287
	69,774	3,009	-	(2,116)	70,667
Net Book Value	95,103	4,262	-	(2,466)	96,899

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 at December 31, 2021 and 2020, one share was issued.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2021

10. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, rent and other receivables, investments, payable to and receivable from senior government, accounts payable and accrued liabilities, unearned revenue, deferred funding, rent supplement advance, tenants' 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.

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 and receivables. 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 tenants and their dispersion across geographic areas within The City of Calgary.

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.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

10. FINANCIAL INSTRUMENTS (Continued)

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.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

11. ACCUMULATED SURPLUS

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

	2021	2020
	\$	\$
Accumulated surplus (Opening)	108,291	102,648
Surplus	8,777	5,943
Transfer in to city owned community housing reserve carryover	8,363	-
Transfer out of Deferred Capital Contribution	(911)	(300)
Accumulated surplus (Closing)	124,520	108,291

	2021	2020
	\$	\$
Operating surpluses	13,235	7,927
Restricted replacement reserve	7,365	7,146
City owned community housing reserve carryover	8,363	-
Operating reserve	536	536
Deferred capital contribution	4,159	5,070
Equity in tangible capital assets *	90,862	87,612
	124,520	108,291

* Equity in Tangible Capital Assets Breakdown	2021	2020
	\$	\$
Tangible capital assets (Note 8)	167,566	164,877
Accumulated depreciation (Note 8)	(70,667)	(69,774)
Long-term debt (Note 6)	(6,037)	(7,491)
Equity in tangible capital assets	90,862	87,612

The operating reserve represents 50% of operating surplus accumulated in the Calhome Owned Portfolio to be used to offset operating losses in future years.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

11. ACCUMULATED SURPLUS (Continued)

The city owned community housing reserve carryover represents funds received from the Province. \$8,000 was received for the purpose of covering capital deficits, meeting lifecycle costs and any unforeseeable costs that may arise in the future. \$363 has also been retained for the coverage of future operating deficits.

Deferred capital contribution represents the restricted capital contributions received from third parties for a specified purpose, which will be recognized as revenue or as an increase in equity in tangible capital assets when the related expenditures are incurred.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2021

12. RESTRICTED FUNDS

The Company has received restricted grants from The City and the Province to be used for specific purposes. These funds are recognized as restricted revenue in the period they are used for the purpose specified. In 2021, the Company utilized \$21,718 [2020 - \$14,270] of restricted grants and recorded the related revenue, and has recognized \$9,358 [2020 - \$4,290] in Government receivables related to restricted grants.

Information regarding the liabilities for restricted grants is as follows:

	January 1, 2021	Restricted Inflows	Revenue Earned	Grants in Receivables	December 31, 2021
	\$	\$	\$	\$	\$
The City of Calgary	6,443	1,508	(3,939)	-	4,012
The Government of Alberta	2,897	-	(1,518)	-	1,379
	<u>9,340</u>	<u>1,508</u>	<u>(5,457)</u>	<u>-</u>	<u>5,391</u>

The restricted grants provided by the Province have been restricted for capital spending, non-recurring maintenance, suite renovations and feasibility studies for new housing projects.

Grants received from The City of Calgary have been restricted for preventative maintenance, non-recurring maintenance and infrastructure projects to support the provincial and local economies.

13. 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, 2021

14. 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.

The Company has contingent assets arising from open claims related to insured expenditures. As at December 31, 2021, the estimated amount of claims where recovery is likely is \$178 [2020 - \$113].

15. 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	Restricted grants and	Total
	and rental agreements	management fees	
	\$	\$	\$
2022	670	22,933	23,603
2023	546	8,500	9,046
2024	480	8,500	8,980
2025	247	-	247
2026	38	-	38
	1,981	39,933	41,914

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2021

15. CONTRACTUAL RIGHTS (Continued)

In addition to the contractual rights listed above, the Company has operating and subsidy agreements which are made up of the following:

- Provincial subsidy of CHC-owned Private Non-Profit portfolio
- City of Calgary Community Housing operating agreement
- Province of Alberta Community Housing operating agreement
- Provincial Rent Supplement program

For more information regarding these agreements, and the portfolios to which they relate, refer to Note 1.

16. CONTRACTUAL OBLIGATIONS

The Company has contractual obligations related to leases of land and office space. The approximate future minimum annual lease payments for the next five years are as follows:

Year	Land \$	Office Space \$	Total \$
2022	98	489	587
2023	98	229	327
2024	98	-	98
2025	98	-	98
2026	98	-	98
Thereafter	490	-	490
	980	718	1,698

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2021

17. RELATED PARTY TRANSACTIONS

The Company is related through control and common control to The City of Calgary and all of 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.

CHC 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.

	2021	2020
	\$	\$
Revenue		
Restricted revenue	18,573	9,303
Expenses and Other Items		
Administration	183	226
Return to the City of Calgary	123	200
City of Calgary surplus retained	649	1,044
	955	1,470
Receivable from related parties	9,138	2,487
Prepaid expenses	129	1,200
Deferred revenue balance	3,982	6,412
Contractual Rights	18,433	33,087

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2021

17. RELATED PARTY TRANSACTIONS (Continued)

The Company shares various administrative services and functions such as banking, payroll, safety, training, IT equipment, investment support and executive leadership with The City of Calgary. 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 City of Calgary cancelled property taxes in the amount of \$1,416 [2020 - \$1,463] on Company owned properties. The Company is not responsible for property taxes on properties it manages but are owned by the Province of Alberta or The City of Calgary.

The company entered into a license of occupation agreement with the City to construct an apartment building for a nominal consideration of \$10.

18. CHANGES IN NON-CASH WORKING CAPITAL

	2021	2020
	\$	\$
Receivables	(4,049)	4,553
Accounts payable and accrued liabilities	4,631	1,048
Unearned revenue	92	313
Deferred funding	(3,949)	530
Payable to government	437	(725)
Rent supplement advance	2,501	(469)
Tenants' security deposits	13	-
Employee benefit obligation	(103)	254
Prepaid expenses	1,154	(121)
Increase/(Decrease) in non-cash working capital	727	5,383

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2021

19. APPROVAL OF BUDGET AND FINANCIAL STATEMENTS

Budget figures included in the financial statements were approved by the Board at the May 28, 2021 Board meeting. The Board and Management have approved these financial statements.



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South District Office

Glenmore & Centre Shopping Centre
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