

Affordable Housing Matters



Annual Report
2019

Why does affordable housing matter?

Affordable Housing meant safety for me and my children.

I was still in a relationship with my children's father and it became very violent and con-trolling. I have multiple disabilities and **I didn't really know what to do, where to go.**

It was just before Christmas, about 27 years ago, and my grandma mailed me a package with gifts for the kids and some things. At the bottom of the box, under this blanket, there was \$1,000 cash. I knew at that point that this was God, he was helping us to get out.

I was able to get in touch with Calgary Housing and within about five days of me calling, they were able to find us a place to move to. **We were brought to safety.** And I thank God every day for that.

For a lot of people, they're leaving violence, they're leaving situations where they can't afford to live where they are. Their rents are too high. Their basic needs aren't being met. Children don't get the nourishment they need or get their basic needs met.

Affordable housing makes those things possible for a lot of families.

At the time, my son was nine and my daughter was seven, the violence was just towards me - but I know for a fact that if things had continued and we had stayed in that setting that my children would have been harmed.

I just can't imagine what would have happened.

CN is a tenant who has lived in a CHC-managed home for almost 30 years. She raised two children in safety and now volunteers with CHC and other organizations with a focus on helping members of our community facing poverty and the many challenges it brings.

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From the Board Chair



Board Chair
Councilor
Druh Farrell

I have had the great good fortune to be involved in working to build a better community for many years. During this time I have seen the crushing need experienced by some of our fellow citizens. Most distressing is when members of our community are caught in a cycle that seems to have no release - no way for them to get ahead or get beyond their current challenges.

This is my answer to *Why Affordable Housing Matters*.

It matters because without a safe, stable base from which to move forward in life, many simply are not able to move forward at all. It matters because with that foundation, individuals can address their challenges, families can flourish, futures can be built and lives can be lived.

Many, myself included, would argue that we have a moral duty to care for those members of our community in need. It is also a simple fact that, beyond the moral argument, there is a fantastic business case for affordable housing.

Access to affordable housing reduces other demands on our community systems. Individuals and families with stable lives contribute taxes, grow our economy, succeed in school, and contribute to the fabric of our community.

Calgary Housing Company is a critical part of a system that supports those in need and provides them an opportunity to move to a brighter future.

As we are all called on to protect our communities in the face of the COVID-19 pandemic, we are reminded that we can do so much more when we work together... in fact, it's sometimes the only way we can achieve our goals.

Despite the terrible impact of the global health crisis, we are seeing entire cities, nations and even the global community, focus on protecting life, caring for the most vulnerable and sacrificing for their neighbours. It is a reminder of what is most important and that, when we come together, we can make sure that nobody is left behind.



"If I didn't have Calgary Housing I would be on the street and couldn't afford rent or utilities. I am very, very grateful for Calgary Housing."

Tenant comment in 2019 Tenant Satisfaction Survey



"I have a roof over my head, a job. (I'm) able to provide for my kids and have family and friends around."

Tenant comment in 2019 Tenant Satisfaction Survey

Mission

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

Vision

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

CHC Board of Directors



Councillor
Druh Farrell, Chair



Councillor
Jeremy Farkas



William Bridge



Aaron Brown



Brian Callaghan



Peter Cheung



Melanie Hulsker



Travis Moir



Murray Tait



Sue Tomney



Jeremy Villas



Doug Watson



“I can afford to take care of myself and my family because of the rent. In terms of mental and physical health we are in a good place.”

Tenant comment in 2019 Tenant Satisfaction Survey

From the President



Sarah Woodgate
President

Why does affordable housing matter?

Although our business is extremely complex, our mission is clear, simple and compelling... we're here to help people. We're here to help families and individuals with one of the most important resources that can help them live their lives and find success however they define it. We're here to make life better for people with safe, quality, affordable housing.

Affordable housing matters because it is an essential component of the community and social fabric. Home is the foundation of healthy families, strong communities, and a strong economy. It is more than a roof over one's head, it is about the opportunity for all Calgarians to meet their full potential.

Our role is to support Calgarians in need of housing assistance to meet one of their most basic needs and to realize individual and community well-being.

In 2019 we found ourselves fully entering into a period of significant change that we are embracing to meet the challenge of the future. We undertook great work to modernize our technology, to find new ways to solve problems, and to establish new frameworks and partnerships to support affordable housing in the 21st century.

As I write this message in the spring of 2020, we face a global reminder that unexpected challenges can completely change our

world. The current pandemic clearly shows the need for diligence in executing our responsibilities to the communities we serve. It demonstrates the importance of a stable home and the challenges that happen where there is insufficient social infrastructure.

It also shows us what is most important - the people in our lives and in our community.

At CHC we have a responsibility to people who need the community's assistance as they strive to build and live their lives. I'm proud of how we met that responsibility in 2019 and am confident that we will rise to the challenges of 2020 and beyond.

This confidence is grounded in having watched the individual and collective efforts of more than 200 CHC staff as they work with diligence, compassion and creativity to serve our community. These efforts are further enhanced by the collaboration with amazing partners from The City and the community - it truly does take a village!

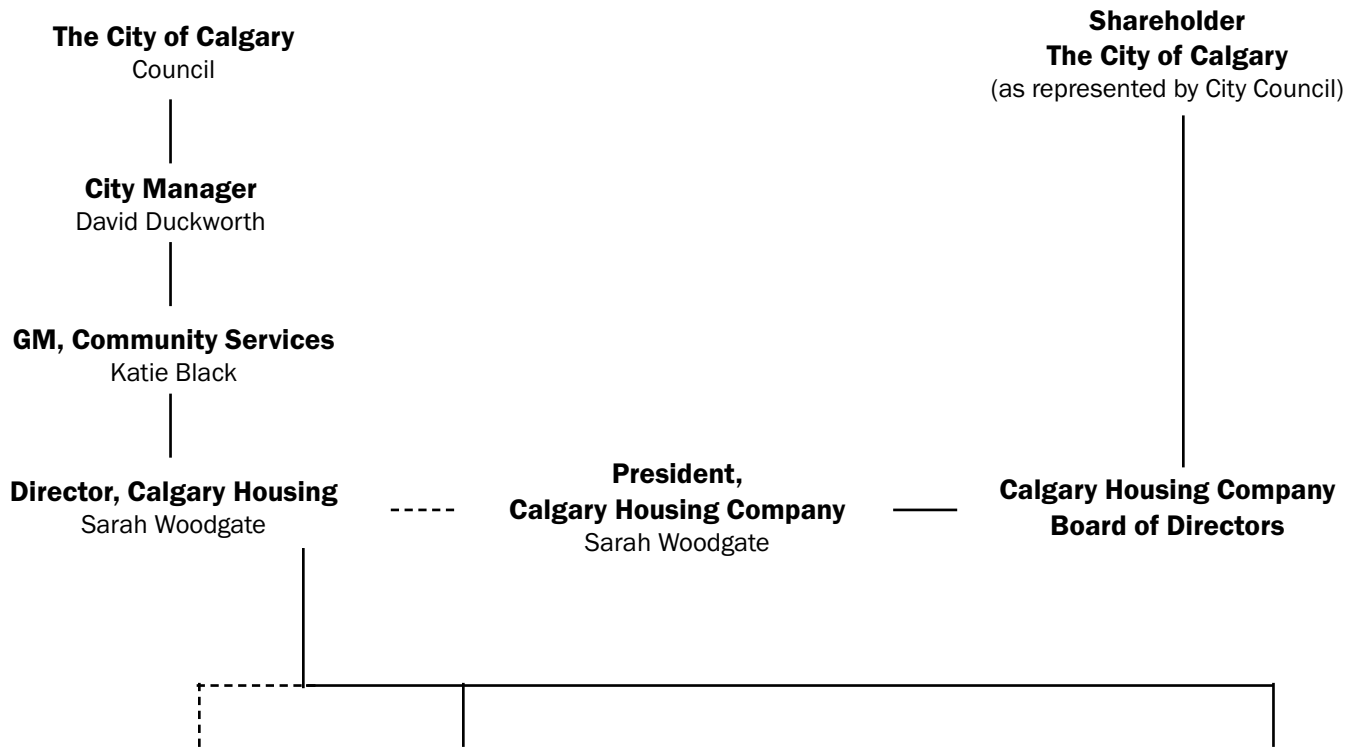
The events of this year have stopped much of the world in its tracks. I remain optimistic that as a business, as a community, and as a city, we will prevail. We will demonstrate resiliency and be able to reposition ourselves within the "new normal". At CHC, we will continue in pursuit of our mission and vision - to help those Calgarians who need us, and to become Canada's leading affordable housing provider.




"(Affordable housing) has put a roof over my head and my kids' heads. Without (it) I would not be able to live in Calgary"

Tenant comment in 2019 Tenant Satisfaction Survey


CHC Governance & Management Team





Bruce Irvine
Affordable Housing




Aminda Galappaththi
Client Services




Maureen Swanson
Strategic Services



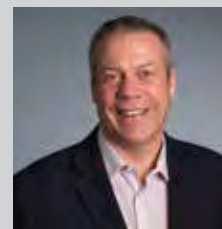
Tim Ward
Transformation Manager



Jana Tchinkova
Corporate Finance & Risk Officer



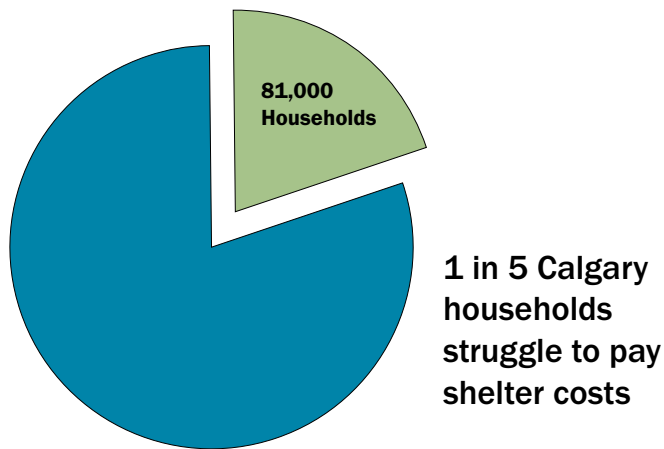
Steve Wyton
Asset Management & Infrastructure



Greg Wilkes
Housing Services

The Need for Affordable Housing

Housing Affordability in Calgary



Over 42,000 Calgary households spend more than 50% of their income on shelter costs. According to The City's definition of affordable housing, 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.

Data from the 2018 Calgary Housing Needs Assessment

How does Calgary compare?

Across Canada, an average of 6.0% of housing in major centres is non-market.



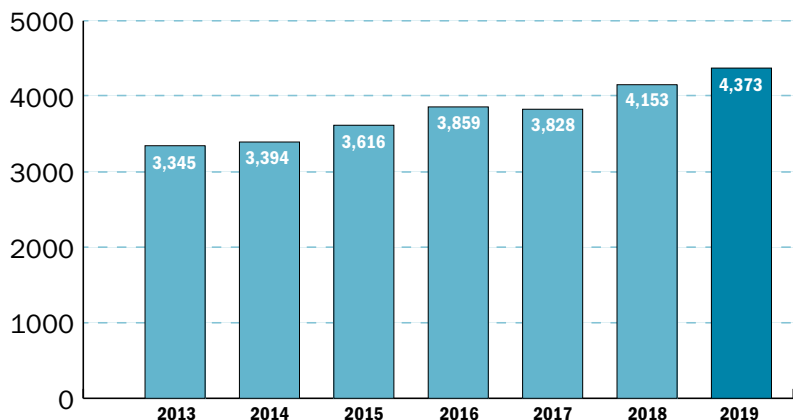
In Calgary, 3.6% of housing is non-market. It is estimated that 15,000 new units of non-market housing would be needed to bring Calgary to the national average.



Data from the 2018 Calgary Housing Needs Assessment

The Demand for Affordable Housing

Average Number of Applicants on Waitlist



CHC's waitlist tracks the number of active applicants seeking homes under the Social and Affordable programs. The waitlist has grown by 30.7 per cent between 2013 and 2019. The Low End of Market program does not have a waitlist.

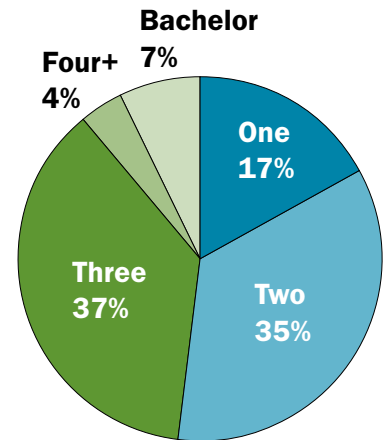
CHC Properties & Portfolios

Calgary Housing Company Housing Inventory

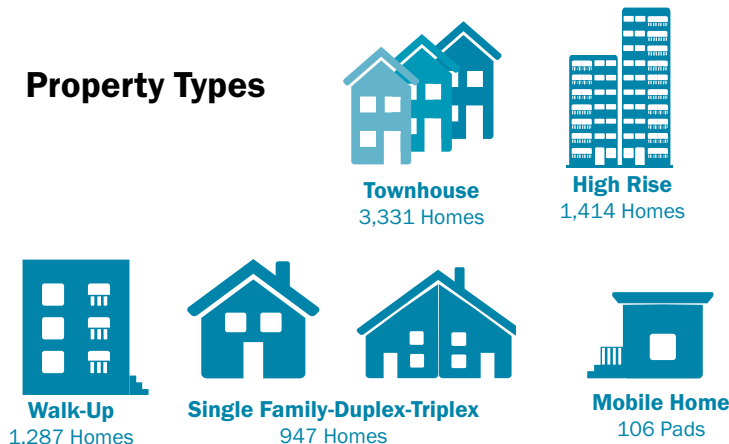
7,108 HOMES

Calgary Housing Company is the largest residential landlord in Calgary. This number references physical units of housing - an additional 2,280 households (2019 average) received rent supplements with private landlords.

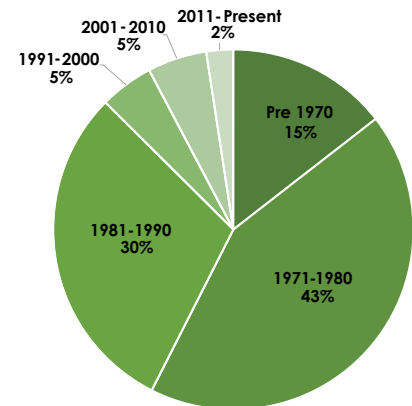
Unit Types



Property Types



Property Age Year of Construction



Portfolios & Ownership Structure

In 2018 CHC had one additional portfolio called the Provincial Fixed Subsidy portfolio. The portfolio was subsidized by the Province, and in 2019 all Provincial subsidy agreements expired. After the expiration of those agreements all of the remaining 198 units (5 properties) in the Provincial Fixed Subsidy portfolio were moved to the CalHome Owned portfolio, effectively eliminating the Provincial Fixed Subsidy portfolio.

CalHome (CHC)-Owned

CalHome Owned	40 Properties	1,730 Units	No Subsidy
Private Non-Profit	10 Properties	207 Units	Province Funds Operating Deficits

City-Owned

City of Calgary Partnership	27 Properties	1,176 Units	Operating Surplus returned to City
Corporate Properties Residential	8 Properties	233 Units	Operating Surplus returned to City
City-Owned Community Housing	20 Properties	1,059 Units	Shared funding of Operating Deficits Federal & Provincial (90%) City (10%)

Provincially-Owned

Provincially-owned Community Housing	100 Properties	2,703 Units	Prov. Funds Operating Deficits
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Note : total unit counts vary slightly in Portfolio versus Property Types due to methodology.

CHC Programs & Tenants

CHC Programs

Social Housing

3,762 homes

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.

- Rent Geared to Income at 30 per cent of eligible income
- Income must be below Provincial Income Thresholds
- Minimum monthly rent of \$120
- Annual income verification
- This program has a waiting list
- Provincially regulated

Affordable Housing

3,346 homes (distribution varies between AH / LEM based on tenant needs)

This program is designed for Calgarians able to afford slightly more for rent but who still require rental assistance. Programs are at fixed rents, typically 30 per cent below average market rents.

- Rents are set at 30 per cent Rent Geared to Income with a minimum monthly rent of \$350
- Income thresholds apply
- Annual income verification
- This program has a waiting list

Low End of Market Housing

Units marketed to Calgarians who are close to being able to afford current private market rent levels.

- Rent approximately 10 per cent below average market rent
- Income must be below maximum income limit (\$71,000-\$89,500 depending on unit size)
- There is no waitlist for this program

Rent Supplement

2,286 (Avg. supplements/month)

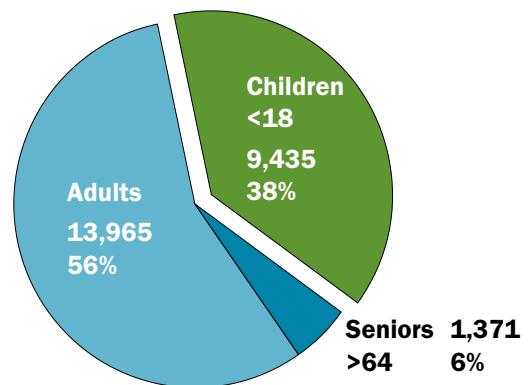
Provide rental assistance to tenants housed with private landlords including non-profit housing providers. Tenants must meet the same qualifying criteria as applicants to the Social Housing program. The number of supplements available is determined by Provincial funding levels.

- Average monthly subsidy in 2019 was \$708
- Total budget for 2019 was \$19M

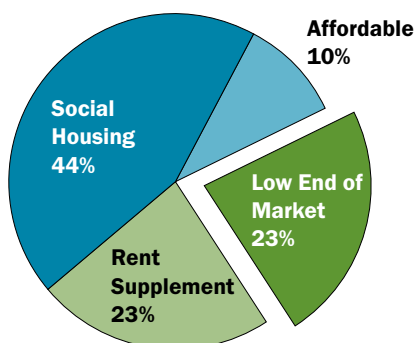
CHC Tenants

24,771

Calgarians live in a CHC-managed property

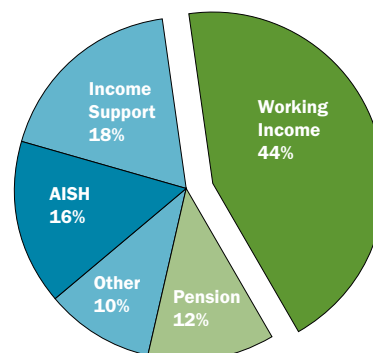


Households by Program Type



Tenants in deeper subsidy Social Housing make up the largest group of CHC tenants. Rent Supplement with private landlords represented approximately the same number of households as Low End of Market CHC properties in 2019.

Household Primary Income Source



Four in ten CHC households indicate employment income as their primary income source.

Supporting our Tenants

Service & Tenant Engagement



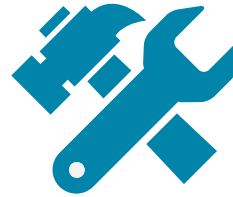
3,650

Monthly Calls
to Customer
Service



1,150

Monthly In-Person
Visits to CHC
District Offices



2,450

Monthly
Maintenance
Work-Orders



7,850

Monthly
Visits to
CHC Website

Tenant Support & CHC Partners

Our team of Tenant Liaisons supports almost 25,000 residents in CHC-managed properties by helping solve problems and connect tenants with resources. CHC partners with more than 100 community agencies, government offices and other support organizations, a partial list of these partners includes:

- Access Mental Health
- AISH
- Alberta Health Services
- Alberta Seniors
- Alberta Works
- The Alex
- Aspen
- Attainable Homes
- BowWest Resource Centre
- Brenda Strafford
- Calgary Catholic Immigration Society
- Calgary Counseling Centre
- The Calgary Distress Centre
- Calgary Drop-In Centre
- Calgary Humane Society
- Calgary Immigrant Women's Association
- Calgary Interfaith Food Bank
- Calgary Legal Guidance
- Calgary Mediation
- Calgary Native Women's Shelter
- Calgary Neighbourhoods
- Calgary Police Service
- Calgary Public Library
- Calgary Sexual Health Centre
- Calgary Women's Emergency Shelter
- Can For Kids
- Canadian Mental Health Association
- Care Connect
- Care to Share
- CARYA
- The Centre for Newcomers
- Child and Family Services
- CUPS
- Deer Park United Church
- Edgemont Community Association
- Emergency Social Services
- Experience Church
- Families Matter
- Foothills Alliance Church
- Fresh Routes Mobile Market/Calgary Neighbourhoods
- Good Food Box
- Habitat for Humanity
- Heart of the North East
- Heartland
- Homefront
- HOPE team
- Hull Services
- Inn From the Cold
- Jewish Family Services
- The Kerby Centre
- Legal Aid
- Momentum
- Mustard Seed
- North Central Community Resource Centre
- North of McKnight
- Oak Park Church of Christ
- Red Cross
- The Salvation Army
- Samaritan Club
- SCOPE
- The SHARP Foundation
- The YW
- Silvera
- The Society of Saint Vincent de Paul
- SORCe
- Southview Alliance Church
- St. Andrew's United Church
- St. Anthony's Parish
- St. James School
- Sunrise Community Link
- Trinity Foundation
- Vecova
- The Way In
- West Central Community Resource Centre
- Women In Need Society
- Wood's Homes
- Word of Life
- YMCA

Transforming Calgary Housing

Why Does Affordable Housing Matter?

It matters because a safe, secure, affordable home is a fundamental need for families and individuals if they are to live with security and dignity and opportunity. Affordable housing is critical for those facing challenges like a physical disability or financial setbacks; for those struggling to find a place in our community, seeking to escape the cycles of poverty; for those looking for a new start in a new country or seeking refuge from domestic violence. It is an absolute necessity for those raising children in the hope that they will have a bright future and find a place in our community.

When affordable housing is available, people are better positioned to secure employment, children have the opportunity to excel in school. Lives are lived. Futures are built. An affordable home does not automatically solve all problems – but it provides a stable foundation from which one can confront those challenges.

The Need in Calgary

In Calgary, as in other Canadian cities, the private market plays a primary role in housing provision. Calgary's private housing market meets the needs of 78 per cent of the city's households. Of the remaining households, three per cent are supported by government and non-profit intervention, but 19 per cent, 81,240 households, struggle with their housing costs (as of 2016). This number is forecast to exceed 100,000 households by 2026.

For Calgary Housing Company, the challenge is meeting that need by providing a wide range of housing options for low- and moderate-income households.

How is Housing Funded?

It takes significant funding support to manage safe and affordable homes. The main sources of this funding are rent revenues and government subsidy. For about half of the homes managed by CHC, rent revenues alone are enough to cover the operating costs of the homes. These homes are operated in what is called a mixed-income model. Under this model, a variety of rents are charged in a way that means revenues cover expenses.

For the other half, rent revenues are not enough to cover costs and the difference is made up by government funding. This ensures that people on very low incomes can live in safe homes that they can afford. Across Canada, and most of the West, this kind of housing model is referred to as Social Housing.

In Canada, the grants that governments provide for Social Housing were established through long-term operating agreements that were signed at the time the homes were built. The agreements provided funding in return for housing low- and moderate-income families. Most, if not all, of these agreements came with an expiry date when the funding, and any obligations on a housing provider, would end.

For many of the homes managed by CHC, these operating agreements are due to expire in the next 3-4 years. In particular, one of the CHC-managed portfolios of City of Calgary-owned housing begins to expire next year and will be completely expired by 2024.

As these operating agreements expire, the balance of housing operated by CHC is expected to shift from provincially-regulated social housing to progressively more mixed-income housing.



“Right now, I have a place to live. Some people out there they don't have food to eat or a place to sleep and there are homeless people on the street.”

Tenant comment in 2019 Tenant Satisfaction Survey



“In an expensive rent market... (affordable housing) helps me to remain independent and to be able to live within my means.”

Tenant comment in 2019 Tenant Satisfaction Survey

Expiring Agreements – Challenge and Opportunity

The City-owned Community Housing portfolio creates a big challenge for The City and CHC. The gap between rent and expenses that is currently funded by government subsidy is approximately \$5M per year. On top of that, the homes are forecast to need an extra \$10M per year to address deferred and lifecycle in maintenance work over the next ten years.

Without that funding available, there would be some very hard choices about what to do. Because Social Housing is primarily a provincial responsibility, it would not be feasible or appropriate for The City or CHC to step in and provide this funding.

Thankfully, there are options to address this issue. In particular, transitioning to the mixed-income model, described earlier, shows how housing can be provided with no or low levels of government funding. The transition of Social Housing to mixed income housing needs to be managed to maintain the number of low-income families served and minimize the number of social housing units lost. One of the techniques available to achieve this is to explore regeneration to increase capacity at existing sites or by developing more supply.

Mixed-income housing is demonstrably financially sustainable. Half of the housing that CHC manages is run with minimal to no ongoing government subsidy and some portfolios even return a surplus that can be put towards building more homes.

The mixed income model also supports the development of strong communities by blending income levels within communities, breaking down barriers and reducing social stigma. Further, the rent paid by near-market tenants helps other tenants have a home while reducing the need for government subsidy.

In the right circumstances, mixed-income housing can be used as a powerful way of creating inclusive and equitable communities that support better outcomes for people.

Process of planning and negotiations through 2019

Over the last year, CHC and The City have been working hard to negotiate new agreements with the provincial govern-

ment to solve some of the funding challenges that will come when the operating agreements expire. The negotiations have covered two main social housing portfolios: City-owned and provincially-owned.

For City-owned housing, 2019 saw significant progress in reaching an agreement that would continue to provide funding for the housing while also slowly transitioning the portfolio to a mixed-income model. This will allow The City and CHC to reduce reliance on government funding and continue to serve low- and moderate-income families in Calgary.

For provincially-owned housing, there is still more work to do to reach an agreement. The most critical issue for CHC in coming to a new agreement is ensuring that it is able to provide, safe, adequate and affordable housing for people that need it.

Looking to the future

Whatever happens as negotiations continue, CHC is looking to the future. 2019 saw significant progress on CHC’s organizational development with the creation and execution of the Transforming Calgary Housing (TCH) program. TCH is focused on completing an organizational review that will build a roadmap to clearly lay the foundation for Calgary Housing’s operations to implement the future operating agreement and to become the leading affordable housing provider in Canada.

Calgary Housing is focusing on improving the customer experience from the first point of contact to move out, and reinventing the way it manages assets by moving to a more integrated approach to asset management, maintenance and property operations.

In 2019, the program team was assembled and completed best practice research, tenant and staff engagement and began the process of functional and organizational design. The team will wrap up its work in 2020 with the implementation of the new design of our organization. It has been an exciting and engaging process that has involved the whole organization. This transformation will result in a revitalized CHC ready to face the challenges and opportunities of the near- and long-term future.

Strategic Priority 1

Deliver quality services to clients that contribute to individual and community well-being

Calgary Housing Company proudly takes a *client centric approach to delivering safe and affordable housing*. This means CHC is working to enhance the customer experience from the first point of contact to when a tenant moves on from CHC. It is also about supporting successful tenancies, and fostering positive relationships to build resilient communities. It includes enhancing our partnerships to support the delivery of critical well-being programming.

In 2019, CHC made significant strides to improve service delivery for applicants and tenants by:

1. Facilitating empowerment and awareness programs such as:
 - a. **Rent Smart**, a course designed to inform tenants about their rights and responsibilities as renters with the goal of positively impacting housing stability. With funding contributions from The City of Calgary’s Home Program, Rent Smart is offered free of charge.
 - b. **Opportunities for Home Ownership (OHO)** sessions were held in partnership with local partners including Habitat for Humanity, Momentum, Money Mentors, Scotiabank, NestED, Hull Family Services and Attainable Homes Corporation. The sessions covered a range of topics related to debt repayment, saving for a down payment, and options for affordable home ownership. Since 2015, more than 500 attendees have participated in the OHO seminars.
 - c. **The Calgary Dollars (C\$) pilot program** provided an opportunity for tenants to use C\$ to exchange goods and services with each other or to buy goods from partners like Fresh Routes Mobile Market. Participants can use the currency to pay a portion of their rent. More than 80 residents have participated in the pilot.



In 2019, 82 households left CHC to move into home ownership.



“They provided a place for us to live... they are concerned about the wellbeing of the tenants. They are extremely accommodating.”

Tenant comment in 2019 Tenant Satisfaction Survey

**from the 2019 CHC Tenant Satisfaction Survey*



"I'm comfortable where I am living and I have my privacy. The complex is clean and quiet."

Tenant comment in 2019 Tenant Satisfaction Survey

2. Supporting numerous community and tenant events and activities including:
 - a. **Social gatherings** to celebrate the holidays with tenants coming together to share in festivities through activities like cookie decorating, and engaging with people in the community in a meaningful way.
 - b. **Neighbour Day** where CHC tenants organized a number of events that contributed to celebrating Calgary's spirit of strong and caring communities.
 - c. **Art exhibitions** that showcased the talent of CHC residents. Proudly, some of the exhibitions were tenant-initiated and led.
 - d. **Community mobile markets** which brought fresh produce to neighbourhoods where fresh and nutritious food is not easily accessible. The pilot, which was supported by The City of Calgary, was such a success that it has since converted into a non-profit social enterprise called "Fresh Routes' Mobile Food Market"
3. Continuing to streamline policies, procedures and identifying efficiencies such as:
 - a. **Reversing the carbon levy rebate** to ensure rents for social housing tenants accurately reflected a household's current income. Completing the review and adjustments in a timely manner was paramount to ensure tenants weren't paying more rent than they could afford.
 - b. Increasing transparency and supporting successful tenancies with the rollout of the **Transfer Policy**. The policy prioritizes tenants in imminent danger, clearly identifies approvals required, aligns to best practices, and balances the safety and wellbeing of tenants with operational resource considerations.
 - c. Ongoing efforts to advocate for **One Window**, an initiative that endeavours to centralize intake for Calgary's non-market housing providers. This initiative, if approved by the Government of Alberta, would streamline processes for citizens who otherwise, have to go through up to 60 different providers to apply for housing.

"The (mobile food) truck is helpful with our basic needs of life, and more important it's financially very good, saving money and getting good quality food."

~ Bridgeland
Affordable Housing
Resident



Residents of CHC's Baker House enjoy a Christmas celebration.

CHC is committed to ongoing efforts that *create or connect clients with programs and services that contribute to their well-being.*

Strategic Priority 2

Achieve operational and financial stability

Operational and financial sustainability is central, especially given that the economic, social and political contexts remain so fluid. Considering that much of the housing supply managed by CHC is aging, CHC is endeavouring to achieve a maximum return on investment, advancing environmental sustainability initiatives, and integrating maintenance and portfolio management more holistically.

In 2019, CHC contributed to *maximizing the performance and value of assets, and increasing financial sustainability* by:

1. Preserving existing supply and onboarding new City-owned affordable housing developments:
 - a. The community of **Wildwood** welcomed 48 new affordable homes. The project was in part funded with grant funding from the Government of Alberta and, through land and funding contributions from The City of Calgary. The community of Wildwood has given tenants an overwhelmingly warm welcome – evidence that Calgarians are what make us a strong and resilient city.
 - b. The community of **Rosedale** is home to an innovative affordable housing project. Small parcels of land, left over from a highway widening project, provided an opportunity to develop a unique project using premanufactured affordable housing units. Delivery and installation of the homes began in the fall. When completed, 16 new affordable homes will be added. The Rosedale development supports The City’s strategy to make affordable housing more readily available in every community, and CHC is thrilled to be a part of the innovation and the ongoing sustainable operation.
 - c. **Rundle Manor**, an affordable housing community home to 75 households, has been identified for redevelopment. Although the decision to close is difficult, the necessity of this move reflects the realities of aging housing stock and the need to undertake intentional redevelopment. Current residents have been offered supports including assistance in identifying other housing options which also includes affordable home ownership. Future plans include redeveloping the site into an accessible and mixed-income housing

80% of tenants are proud to call CHC home.



A pre-fabricated home is lifted into place at the Rosedale project.

Following multiple engagements, info sessions and 1:1 support, 100 per cent of current Rundle Manor residents accepted CHC’s lease extension offer through to closure.

**from the 2019 CHC Tenant Satisfaction Survey*

community. More importantly, site evaluations have indicated that there is potential to increase the capacity to as many as 145 units – a significant contribution to Calgary’s existing supply deficit.

- d. In 2019, CHC continued to **mature understanding of the condition of the building’s it owns and/or operates**. This includes the current and future maintenance needs and the anticipated costs of the units under management. This maturity has included refining asset management plans, updating building condition assessment tools, and gathering data to support the effective management and utilization of assets. This enables CHC to precisely identify and allocate capital funding requirements in a timely manner, and to have the ability to identify any potential risks to the assets and people who proudly call them home.
 - e. Maintaining existing housing is a critical part of protecting the supply of affordable homes. In 2019, several **major repair projects and initiatives** were undertaken including major renovations at properties in Woodlands and West Dover to extend the usable life of approximately 150 homes by 20 to 30 years. and a major initiative to replace older furnaces and hot water systems with new, more efficient systems approximately 700 homes at about 50 properties.
2. Advocating for sufficient funding and support by:
- a. Obtaining a **municipal property tax exemption** for affordable housing units owned by the company, which resulted in a savings of \$1.34M. Funding made available from the tax exemption were allocated to deferred maintenance requirements - an investment in preserving the stock of available affordable housing homes.
 - b. **Leveraging various funding opportunities** from The City of Calgary including \$25M over four years (2019-2022) to address critical life cycle and emergency repairs on City-owned affordable housing. The City also allocated \$31.9M to redevelop four affordable housing sites conditional on leveraging an additional \$74M from other others of government. These investments will contribute to extending the life of existing affordable housing supply and could provide up to 400 new homes.
 - c. **Engaging in productive dialogue** with the Government of Alberta about the critical need to meet CHC’s request for sufficient operating and capital funding.

An exemption for affordable housing from municipal property tax made \$1.34M available for investment into deferred maintenance.



“(Affordable housing) made it easier for living in the current economy. Without Calgary Housing, I wouldn’t be surviving here.”

Tenant comment in 2019 Tenant Satisfaction Survey

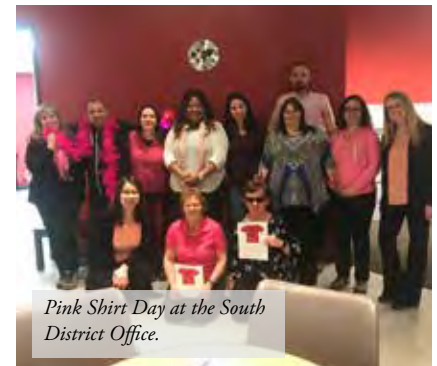
Strategic Priority 3

Realize organizational excellence

Calgary Housing Company intends to **realize organizational excellence** by modernizing its overall business model and technology systems to *increase operational efficiency and effectiveness*. The organization is also *implementing innovative business practices* such as maturing its procurement process, project management practices, data management strategies and research, as well as vital emergency preparedness practices. In doing all of this, core to CHC's excellence is *supporting safe and empowering environments for employees* and *advancing relationships with stakeholders*.

In 2019, here is how Calgary Housing Company endeavoured to realize organizational excellence:

1. **Transforming Calgary Housing and the Enterprise System Solution Projects** made significant head-way to identify and modernize business process and implement innovative and strategic practices to improve service delivery.
2. **Ongoing efforts for cost reduction** through intentional workforce planning, maintaining salary expenditures year-over-year, reduced administration expenses, and contract savings (i.e. utility contracts).
3. **Supporting training, professional development, and recognizing CHC professionals through industry platforms** such as the Chartered Institute of Housing, Canadian Institute of Planners, Calgary Residential Rental Association, Max Bell Public Policy Training Institute, and the Real Estate Institute of Canada. CHC co-sponsored the Opening Doors Conference on National Housing Day providing numerous development opportunities for more than 50 CHC staff.
4. CHC executed on a significant commitment to **leadership development** with a facilitated series of monthly training sessions. The Leaders' Training program focused on enhancing leadership skills as well as providing a forum for leaders to engage with each other on how to be as effective as possible with their teams.



Pink Shirt Day at the South District Office.

More than
1/3 of all CHC
staff have
participated in
the development
of the new
Enterprise
System Solution.

**from the 2019 CHC Tenant Satisfaction Survey*



“I have a roof over my head, a job. (I’m) able to provide for my kids and have family and friends around.”

Tenant comment in 2019 Tenant Satisfaction Survey

5. CHC employees were engaged to foster a safe and empowering environment through initiatives such as:
 - a. **Pink Shirt Day** which signified the organizations support for a workplace where everyone feels safe, both mentally and physically. CHC employees are always encouraged to self-reflect on the impact we have on each other and talk about the importance of respect, human rights, and inclusion.
 - b. **Stretch yourself program** where CHC colleagues engaged each other in innovative exercises that promoted a healthy and active lifestyle at work by encouraging stretch breaks and to discourage people from sitting for long periods of time.

6. CHC advanced relationships with stakeholders by:
 - a. **Raising awareness across Canada** about the need for affordable housing, and the various tools and resources that can be leveraged to further add value to the industry. CHC President, Sarah Woodgate participated on a number of discussion panels, and served as a subject matter expert at affordable housing forums and events across Canada including the *International Symposium on the Future of Affordable Housing* at the University of Calgary which brought together affordable housing experts from around the world.
 - b. **Building research networks and contributing to best practices** that will improve the housing system in Canada and around the world. In 2019 CHC participated in various research initiatives with organizations such as Canadian Mortgage & Housing Company, Housing Partnership Canada, and the National Initiative on Mixed Income Communities.

90% of tenants are satisfied or very satisfied with the courtesy of building maintenance workers.*

CHC President Sarah Woodgate participates in a panel discussion at Investing in Infrastructure Seminar.

Realizing organizational excellence will forever remain an ongoing endeavour for CHC. Recognizing that with the ever changing global context – an excellent today, maybe just be a very good tomorrow. Investing in ongoing improvement, employee empowerment, and the mobilization of our partners and stakeholders are what will continue to fuel the organization now, and into the future.



“(Affordable housing) has provided a place to raise my daughter - I am a single dad.”

Tenant comment in 2019 Tenant Satisfaction Survey

Why does affordable housing matter?

In a word, stability.

I was a youth worker – kids with mental health challenges, sexual exploitation victims. I saw first-hand how having stability was so important to their mental health. That's what led me to Calgary Housing.

When I thought about this, one family popped into my head. A single mother, an immigrant. She came to CHC with her husband who later became abusive. Through CHC she was able to access support with our partners, she was empowered to get help and eventually divorced her abuser. She was able to get employment... she raised two kids and this year she actually bought her own home and moved out in 2019.

None of that would have been possible without Calgary Housing. She never would have been able to survive – there were tenant supports, rent adjustments, our partners to provide help... now, she has raised her kids, helped her community, helped our economy and been successful enough to buy her own home.

The stability is so important... it really enables what's next.

RN is a 6-year member of the CHC team who provides tenant support services to the individuals and families who live in CHC-managed properties.

Financial Statements

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

December 31, 2019

Independent Auditor's Report

To the Directors of
Calhome Properties Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Calhome Properties Ltd. ("Calhome"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, 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, 2019, 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 20, 2020
Calgary, Alberta

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

STATEMENT OF FINANCIAL POSITION
 (Expressed in Thousands of Dollars)

As at December 31, 2019

	<u>2019</u>	<u>2018</u>
Financial Assets		
Cash (Note 3)	\$ 37,202	\$ 38,935
Receivables		
Rent and others	706	687
Government	10,935	12,075
	<u>48,843</u>	<u>51,697</u>
Liabilities		
Accounts payable and accrued liabilities	13,085	17,571
Unearned tenant rent revenue	2,070	1,909
Deferred funding (Note 3)	8,810	9,068
Payable to government	1,930	2,749
Rent supplement advance (Note 4)	4,031	4,255
Tenants' security deposits	1,095	1,069
Mortgages payable (Note 5)	8,667	10,056
Employee benefit obligation (Note 6)	2,183	2,195
	<u>41,871</u>	<u>48,872</u>
NET ASSETS	6,972	2,825
Non-Financial Assets		
Tangible capital assets (Note 7)	94,023	96,876
Prepaid expenses	1,653	466
	<u>95,676</u>	<u>97,342</u>
ACCUMULATED SURPLUS (Note 10)	\$ 102,648	\$ 100,167

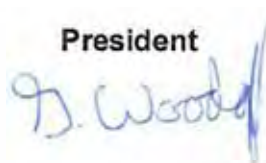
See accompanying notes

On behalf of the Board

Chairman



President



Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Rent revenue	\$49,399	\$ 50,155	\$48,189
Government transfers			
Shared cost agreements	19,639	19,110	19,607
Restricted funds (Note 11)	29,276	10,983	17,244
Debt interest rebate	17	-	214
Rent supplement funding	19,200	19,512	19,131
Interest income	466	910	718
Insurance recoveries (Note 12)	-	83	233
Miscellaneous	1,131	1,083	1,657
	<u>119,128</u>	<u>101,836</u>	<u>106,993</u>
EXPENSES			
Administration	5,034	3,998	3,923
Salaries and benefits	20,617	19,056	18,609
Amortization of tangible capital assets	3,275	3,046	3,027
Debt servicing	295	303	369
Maintenance	38,606	29,754	34,971
Property operations	9,566	10,678	9,875
Rent supplement	18,188	18,645	18,269
Taxes and leases	1,983	1,962	1,961
Utilities	11,254	10,494	10,361
Insurance (Note 12)	-	98	184
Restricted expenses	-	9	151
	<u>108,818</u>	<u>98,043</u>	<u>101,700</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	10,310	3,793	5,293
OTHER ITEMS			
Return to The City of Calgary	(189)	(295)	(1,467)
City of Calgary surplus retained	(1,235)	(880)	-
Loss on asset disposal	-	(14)	-
Emergency Reserve Replenishment	(85)	(84)	-
	<u>(1,509)</u>	<u>(1,273)</u>	<u>(1,467)</u>
SURPLUS	<u>\$ 8,801</u>	<u>\$ 2,520</u>	<u>\$ 3,826</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF CASH FLOWS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Surplus	\$ 2,520	\$ 3,826
Non-cash items:		
Amortization of tangible capital assets	3,046	3,027
Loss on asset disposal	14	-
Change in non-cash working capital (<i>Note 17</i>)	<u>(5,678)</u>	<u>670</u>
	<u>(98)</u>	<u>7,523</u>
CAPITAL ACTIVITIES		
Addition of tangible capital assets	<u>(207)</u>	<u>(227)</u>
FINANCING AND INVESTING ACTIVITIES		
Repayment of long term debt	(1,389)	(2,544)
Transfer from deferred capital contribution	<u>(39)</u>	<u>-</u>
	<u>(1,428)</u>	<u>(2,544)</u>
NET (DECREASE) INCREASE IN CASH DURING THE YEAR	(1,733)	4,752
CASH, BEGINNING OF YEAR	38,935	34,183
CASH, END OF YEAR (<i>Note 3</i>)	<u>\$ 37,202</u>	<u>\$ 38,935</u>

See accompanying notes

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2019

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
ANNUAL SURPLUS	\$ 8,801	\$ 2,520	\$ 3,826
TANGIBLE CAPITAL ASSETS			
Additions of tangible capital assets	(8,026)	(207)	(227)
Loss on asset disposal	-	14	-
Amortization of tangible capital assets	3,275	3,046	3,027
Transfer to operating	-	(39)	-
	<u>(4,751)</u>	<u>2,814</u>	<u>2,800</u>
OTHERS			
Increase in prepaid expenses	-	(1,187)	(332)
	<u>-</u>	<u>(1,187)</u>	<u>(332)</u>
CHANGE IN NET ASSETS	4,050	4,147	6,294
NET ASSETS (DEBT), BEGINNING BALANCE	2,825	2,825	(3,469)
NET ASSETS, ENDING BALANCE	<u>\$ 6,875</u>	<u>\$ 6,972</u>	<u>\$ 2,825</u>

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

1. NATURE OF THE BUSINESS

Calhome Properties Ltd. [the "Company"], a private not-for-profit corporation, is wholly-owned by The City of Calgary [the "City"] and was incorporated June 16, 1978 under the Business Corporations Act of The Province of Alberta. As at April 1, 2001, the Company assumed the trade name of Calgary Housing Company ["CHC"].

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. The following is a brief description of the portfolios:

CHC Private Non-Profit Portfolio

This portfolio consists of 207 units [2018 – 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 1,730 units [2018 – 1,532] owned by the Company with no direct subsidy from any governmental agency.

In 2018 CHC had one additional portfolio called the Provincial Fixed Subsidy portfolio. The portfolio was subsidized by the Province, and in 2019 all Provincial subsidy agreements expired. After the expiration of those agreements all of the remaining 198 units (5 properties) in the Provincial Fixed Subsidy portfolio were moved to the Calhome Owned portfolio, effectively eliminating the Provincial Fixed Subsidy portfolio.

The 2018 figures were reclassified to reflect this transfer in order to provide an appropriate basis for comparative purposes (See Note 18). This reclassification only affects the portfolio-level Statements of Operations, and not the consolidated financials.

Corporate Properties Residential Portfolio

This portfolio consists of 233 units [2018 – 239] 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. During the year,

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

six properties in this portfolio were transferred to third party non-profit corporations, which caused the decrease in unit count from 2018 to 2019.

City of Calgary Partnership Portfolio

This portfolio consists of 1,176 units [2018 – 1,176] 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 invested in lifecycle maintenance required by any City-owned properties.

City Owned Community Housing Portfolio

This portfolio consists of 1,059 units [2018 – 1,059] owned by The City and managed by the Company. Any operating surpluses or losses are refunded or subsidized 90%, and 10% respectively by provincial and municipal governments under joint agreement.

Provincially Owned Community Housing Portfolio

This portfolio consists of 2,703 units [2018 – 2,704] 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.

During the year the Province sold its North Glenmore 1 property which was previously managed by CHC. This accounts for the decrease in unit count from 2018 to 2019.

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, 2019

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.

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 Debt for the year.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

[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.

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 10).

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

Adoption of New Accounting Standard

The Company has prospectively adopted PS 3430 Restructuring Transactions with an effective date of January 1, 2019. The adoption of this standard has not had any impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

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, 2021. 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, 2022. 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, 2019

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:

	2019	2018
	\$	\$
Restricted		
Tenants' security deposits	1,095	1,069
Rent supplement fund advance (Note 4)	4,031	4,255
Restricted replacement reserve	6,995	6,887
Restricted operating reserve	536	536
Provincial emergency fund	802	719
Deferred capital contributions (Note 10)	5,370	5,409
Deferred funding (Note 11)	8,810	9,068
	27,639	27,943
Unrestricted	9,563	10,992
	37,202	38,935

4. 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 \$4,031 [2018 - \$4,255].

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

5. MORTGAGES PAYABLE

Mortgages in the amount of \$2,784 [2018 - \$4,662] are for the fixed subsidy properties. These mortgages have interest rates, before the senior government interest subsidy, between 1.04% and 2.22% per annum [2018 – between 0.94% and 6.45% per annum]. The maximum effective interest rate of the fixed subsidy mortgages to the Company after subsidy payments is 2% per annum over the mortgage term to renewal.

The remaining mortgages are in the amount of \$5,883 [2018 - \$5,394]. The interest rate of these mortgages varies from 1.04% to 6.45% per annum [2018 – between 2.75% and 4.52% per annum].

The mortgage repayment schedule is as follows:

Year	\$
2020	1,219
2021	1,033
2022	1,073
2023	928
Thereafter	4,414
	<u>8,667</u>

Related land and buildings have been pledged as collateral for mortgages payable. The net book value of land and buildings pledged amounts to \$33,746 [2018 - \$59,398] as at December 31, 2019.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2019

6. 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. In 2018 the LAPP reported a surplus, based on extrapolated results of the actuarial valuation, of \$3.5 billion [2017 – surplus of \$4.84 billion].

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:

	2019	2018
Members' Rate up to YMPE	8.39%	9.39%
Members' Rate over YMPE	12.84%	13.84%
Employers' Rate up to YMPE	9.39%	10.39%
Employers' Rate over YMPE	13.84%	14.84%

The current service contributions by the Company, as reflected in 'Salaries and Benefits' to the LAPP, were \$1,646 [2018 - \$1,810]. The current service contributions by the employees allocated to the LAPP were \$1,490 [2018 - \$1,654].

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

7. TANGIBLE CAPITAL ASSETS

	Jan 1, 2019 Opening Balance	Additions	Disposals/ Transfers	December 31, 2019 Closing Balance
Cost/(000)'	\$	\$	\$	\$
Land	27,957	-	-	27,957
Building	96,721	-	-	96,721
Building Betterment	32,161	603	(37)	32,727
Systems/M&E	2,273	-	-	2,273
Vehicles	448	-	-	448
Furniture	347	-	-	347
Work in Progress	799	207	(603)	403
	160,706	810	(640)	160,876
	Jan 1, 2019 Opening Balance	Additions	Disposal/ Transfers	December 31, 2019 Closing Balance
Accumulated Depreciation	\$	\$	\$	\$
Building	53,046	1,886	-	54,932
Building Betterment	8,131	1,100	(23)	9,208
Systems/M&E	2,256	11	-	2,267
Vehicles	123	45	-	168
Furniture	274	4	-	278
	63,830	3,046	(23)	66,853
Net Book Value	96,876	(2,236)	(617)	94,023

8. 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, 2019 and 2018, one share was issued.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2019

9. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, rent and other receivables, 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. The carrying value of these financial instruments 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 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. Contractual obligations related to accounts payable and payables to government are due within 6 months. Refer to Note 5 for information on contractual maturities of mortgages payable.

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2019

10. ACCUMULATED SURPLUS

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

	2019	2018
	\$	\$
Accumulated surplus (Opening)	100,167	96,341
Surplus	2,520	3,826
Transfer out of Deferred Capital Contribution	(39)	-
Accumulated surplus (Closing)	102,648	100,167

	2019	2018
	\$	\$
Accumulated surplus	4,390	515
Restricted replacement reserve	6,996	6,887
Operating reserve	536	536
Deferred capital contribution	5,370	5,409
Equity in tangible capital assets *	85,356	86,820
	102,648	100,167

	2019	2018
	\$	\$
* Equity in tangible capital assets		
Tangible capital assets (Note 7)	160,876	160,706
Accumulated depreciation (Note 7)	(66,853)	(63,830)
Long-term debt (Note 5)	(8,667)	(10,056)
	85,356	86,820

The operating reserve represents 50% of operating surplus accumulated in 1999 and future years of the Calhome Owned Portfolio to be used to offset operating losses in future years.

Deferred capital contribution represents the restricted capital contributions received from the 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, 2019

11. 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 2019, the Company utilized \$10,983 [2018 - \$17,244] of restricted grants and recorded the related restricted revenue. This resulted in additional \$8,762 [2018 - \$7,709] in Government receivables related to restricted grants.

	January 1, 2019	Restricted Inflows	Revenue Earned	Grants in Receivables	December 31, 2019
	\$	\$	\$	\$	\$
The City of Calgary	(7,380)	(920)	95	-	(8,205)
The Government of Alberta	(1,688)	(8)	1,770	(679)	(605)
	<u>(9,068)</u>	<u>(928)</u>	<u>1,865</u>	<u>(679)</u>	<u>(8,810)</u>

The restricted grants provided by the Province have been restricted for capital spending, non-recurring maintenance, preventative maintenance, suite renovations, feasibility study for two new projects, and building condition assessments.

The grants received from The City of Calgary have been restricted for performing suite renovations, building condition assessments, preventative maintenance, non-recurring maintenance, and new system implementation.

12. 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. Insurance expenses are the costs incurred to pay third party contractors during the year, related to insurance claims. 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, 2019

13. 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, 2019, the estimated amount of claims where recovery is likely is \$416 (2018 - \$498).

14. CONTRACTUAL RIGHTS

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

Year	Long-term lease and rental agreements \$	Restricted grants and management fees \$	Total \$
2020	610	9,740	10,350
2021	442	9,284	9,726
2022	290	6,000	6,290
2023	190	-	190
2024	183	-	183
	1,715	25,024	26,739

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2019

14. CONTRACTUAL RIGHTS (continued from previous page)

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 agreements
- 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.

15. CONTRACTUAL OBLIGATIONS

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

Year	Land \$	Office Space \$	Software \$	Total \$
2020	98	503	562	1,163
2021	98	489	363	950
2022	98	489	-	587
2023	98	229	-	327
2024	98	-	-	98
Thereafter	686	-	-	686
	1,176	1,710	925	3,811

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2019

16. 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.

	2019	2018
	\$	\$
Revenue		
Restricted revenue	3,094	3,546
Expenses and Other Items		
Administration	246	71
Return to the City of Calgary	295	1,456
City of Calgary surplus retained	880	-
	1,421	1,527
Receivable from related parties	2,806	1,868
Prepaid expenses	1,135	-
Deferred revenue balance	8,206	7,377
Contractual Rights	24,426	25,880

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2019

16. RELATED PARTY TRANSACTIONS (continued from previous page)

The Company shares various administrative services and functions such as banking, payroll, safety, training, 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 ended December 31, 2019, The City of Calgary cancelled property taxes in the amount of \$1,326 (2018 - \$1,305) 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.

17. CHANGES IN NON-CASH WORKING CAPITAL

	2019	2018
	\$	\$
Receivables	1,120	(8,695)
Accounts payable and accrued liabilities	(4,486)	8,767
Unearned revenue	161	262
Deferred funding	(258)	(1,337)
Payable to senior government	(819)	1,850
Rent supplement advance	(224)	-
Tenants' security deposits	26	2
Employee benefit obligation	(12)	154
Prepaid expenses	(1,186)	(333)
Increase/(Decrease) in non-cash working capital	(5,678)	670

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2019

18. RECLASSIFICATION OF PRIOR YEAR BALANCES

Certain comparative figures have been reclassified to adjust the presentation and classification of balances in the prior year's financial statement presentation to conform to current year presentation. These reclassifications are due to:

- Transfer of five properties from the Provincial Fixed Subsidy portfolio to the Calhome Owned portfolio. This reclassification only affects the unaudited Statements of Operations by portfolio included below, and does not impact the Statement of Operations for all portfolios or the combined portfolio audited balances.
- Prior year mortgage balances for fixed subsidy properties have been restated to include mortgages in the Private Non-Profit portfolio as they are under fixed subsidy agreements.

19. APPROVAL OF BUDGET AND FINANCIAL STATEMENTS

Budget figures included in the financial statements were approved by the Board at the June 14, 2019 Board meeting. The Board and Management have approved these financial statements.

20. SUBSEQUENT EVENTS

Subsequent to the year-end, on March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

STATEMENTS OF OPERATIONS BY PORTFOLIOS:

Private Non-Profit Portfolio

Calhome Owned Portfolio

Corporate Properties Residential Units Portfolio

City of Calgary Partnership Portfolio

City Owned Community Housing Portfolio

Provincially Owned Community Housing Portfolio

Rent Supplement Portfolio

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

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

Private Non-Profit Portfolio (Unaudited)

This portfolio consists of 207 units [2018 – 207 units], all of which are residential, in 10 properties [2018 – 10 properties] owned by the Company, as listed below. The Provincial government subsidizes any operating deficits with the exception of the Lincoln Park Fanning Centre. Lincoln Park Fanning Centre receives a subsidy equivalent to the amount required to reduce debt financing costs to 2% per annum. The Company bears the responsibility of financial loss or surplus on the Lincoln Park Fanning Centre property.

Property	Property Code	Number of Units
Crescent Height 1	CH1	9
Inglewood 1	IW1	10
Lincoln Park 1	LP1	46
Lincoln Park 4 (MS)	LP4	1
Lincoln Park 5 (FAN)	LP5	2
Haultain House	NYH	16
London House	NYL	16
Silver Pines	NYS	18
Tamarac House	NYT	18
Villa Blanca	NYV	71
Total		207

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Rent revenues	\$ 872	\$ 907	\$ 865
Government transfers			
Shared cost agreements	1,639	1,600	1,606
Restricted funds	1,354	387	1,301
Interest income	10	18	13
Miscellaneous	17	13	14
	<u>3,892</u>	<u>2,925</u>	<u>3,799</u>
EXPENSES			
Administration	135	104	196
Salaries and benefits	578	543	618
Amortization of tangible capital assets	365	341	340
Debt servicing	54	53	58
Maintenance	1,525	879	1,851
Property operations	337	359	324
Taxes and leases	92	93	90
Utilities	334	313	306
Insurance	-	-	-
	<u>3,420</u>	<u>2,685</u>	<u>3,783</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	472	240	16
OTHER ITEMS			
Loss on asset disposal	-	(14)	-
SURPLUS	<u>\$ 472</u>	<u>\$ 226</u>	<u>\$ 16</u>

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

Calhome Owned Portfolio (Unaudited)

This portfolio is comprised of 1,730 units [2018 – 1,532 units], of which 1,724 are residential and 6 are non-residential, in 40 properties [2018–35 properties] owned by the Company. This portfolio does not receive any subsidy from other levels of government. The Company may retain surpluses and is responsible for losses.

Due to the expiry of Provincial subsidy agreements during 2019, 198 units were moved to this portfolio from Provincial Fixed Subsidy portfolio. The 2018 figures were reclassified to reflect this transfer in order to provide an appropriate basis for comparative purposes.

Property	Property Code	Number of Units
Abbeydale 5	AB5	60
Bankview 1	BV1	26
Beddington 4	BD4	66
Cedarbrae 4	CB4	51
CB3-Cedarbrae	CBC	9
CB3-Beddington	BDC	15
Cedar Crescent	CC2	2
Crossroad 1	CR1	100
East Village 1	EV1	166
Erinwoods 1	EW1	58
Erinwoods 4	EW4	72
Fonda Crescent	FC1	2
Falconridge 3	FR3	20
Falconridge 4	FR4	28
Falconridge 5	FR5	14
Huntington Hill 6	HH6	75
Lincoln Park 2	LP2	38
Lincoln Park 3	LP3	25
Manchester 2	MC2	117
Manchester Commercial	MCC	1
McKenzie 2	MK2	57
McLaurin Village	MV1	1
Millrise 1	MR1	53
North Haven 3	NH3	40
Rundle Manor	RD2	75
Radisson Heights 7	RH7	36
Ranchlands 6	RL6	50

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

Transfer From Province	TR5	5
Vista Hts 2	VH2	52
Parkland 3	PL3	36
Queensland 1	QL1	56
Queensland 2	QL2	20
Ranchlands 7	RL7	55
Silver Springs 1	SS1	31
Whitehorn 3	WH3	20
Connaught 2	CN2	48
Cedarbrae 5	CB5	14
Penbrooke 3	PB3	77
Sunalta 1	SN1	26
Tuxedo 1	TX1	33
Total		1730

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Rent revenues	\$ 19,891	\$ 20,209	\$ 19,591
Restricted funds	7,677	653	2,318
Debt interest rebate	17	-	214
Interest income	456	892	705
Insurance recoveries	-	26	92
Miscellaneous	286	304	599
	<u>28,327</u>	<u>22,084</u>	<u>23,519</u>
EXPENSES			
Administration	1,137	1,082	926
Salaries and benefits	4,648	4,399	4,383
Amortization of tangible capital assets	2,833	2,622	2,589
Debt servicing	241	250	311
Maintenance	6,085	6,291	6,626
Property operations	2,516	2,603	2,467
Taxes and leases	845	823	825
Utilities	1,693	1,695	1,600
Insurance	-	16	71
Restricted expenses	-	9	151
	<u>19,999</u>	<u>19,790</u>	<u>19,949</u>
SURPLUS	<u>\$ 8,328</u>	<u>\$ 2,294</u>	<u>\$ 3,570</u>

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

Corporate Properties Residential Portfolio (Unaudited)

The Company manages 233 units [2018 – 239 units], all of which are residential, in 8 properties [2018 – 8 properties] on behalf of The City of Calgary. Any operating surplus is to be returned to The City of Calgary.

During the year, six properties in this portfolio were transferred to third party non-profit corporations, which caused the decrease in unit count from 2018 to 2019.

Property	Property Code	Number of Units
Armour Block (Residential)	ABR	34
North East A	NEA	21
North West A	NWA	19
South East A	SEA	48
South East B	SEB	2
South West A	SWA	1
South West B	SWB	2
South Hill Mobile Homes	SHM	106
Total		233

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF OPERATIONS

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Rent revenues	\$ 1,741	\$ 1,741	\$ 1,714
Restricted funds	887	137	372
Miscellaneous	27	21	75
	<u>2,655</u>	<u>1,899</u>	<u>2,161</u>
EXPENSES			
Administration	157	118	118
Salaries and benefits	570	545	554
Amortization of tangible capital assets	3	4	5
Maintenance	968	518	657
Property operations	290	221	249
Utilities	478	199	306
	<u>2,466</u>	<u>1,604</u>	<u>1,889</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	189	295	272
OTHER ITEMS			
Return to The City of Calgary	<u>(189)</u>	<u>(295)</u>	<u>(272)</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

City of Calgary Partnership Portfolio (Unaudited)

This portfolio consists of 1,176 units [2018 – 1,176 units], of which 1,171 are residential and 5 are non-residential, in 27 properties [2018 – 27 properties] owned by The City of Calgary, as listed below. The Company manages these properties on behalf of The City of Calgary.

Property	Property Code	Number of Units
Bridges Condos 1	BG1	6
Bridges Condos 2	BG2	2
Bridges Condos 3	BG3	6
Bridges Condos 4	BG4	2
Mcpherson Place	BL3	58
Bridgeland	BL4	24
Beswich House	BWH	2
Cedar Court	CD1	65
Connaught 3	CN3	47
Crescent Heights 1	CT1	40
Crescent Heights 2	CT2	16
Crestwood 1	CW1	60
Lincoln Park 7	LP7	65
Lomond	LM1	16
Louise Station	LS2	88
Lumino	MCN	88
Trinity Foundation	MCL	70
Manchester Tower	MC3	136
Parkhill 1	PK1	9
Forest Height 9	RH9	2
Spring Bank 1	SB1	150
Vista Grande	VG1	41
Ogden Transitional	OTH	11
Vida	VMT	45
West End	WE1	47
Kingsland	KG1	32
Wildwood	WWD	48
Total		1,176

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF OPERATIONS

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Rent revenues	\$ 9,895	\$ 10,132	\$ 9,356
Restricted funds	1,425	679	1,092
Insurance recoveries	-	10	1
Miscellaneous	294	333	508
	<u>11,614</u>	<u>11,154</u>	<u>10,957</u>
EXPENSES			
Administration	771	589	561
Salaries and benefits	2,947	3,044	2,722
Amortization of tangible capital assets	18	19	22
Maintenance	3,606	3,187	3,087
Property operations	1,868	2,140	1,979
Utilities	1,169	1,259	1,151
Insurance	-	37	-
	<u>10,379</u>	<u>10,274</u>	<u>9,522</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	1,235	880	1,435
OTHER ITEMS			
Return to The City of Calgary	-	-	(1,195)
City of Calgary surplus retained	(1,235)	(880)	-
	<u>(1,235)</u>	<u>(880)</u>	<u>(1,195)</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240</u>

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

City Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 1,059 units [2018 – 1,059 units], of which 1,050 are residential and 9 are non-residential, in 20 properties [2018 – 20 properties] owned by The City of Calgary, as listed below. CHC manages this portfolio under agreements between The City of Calgary and the Province of Alberta. The agreements provide that The Province of Alberta and The City of Calgary will fund or be refunded operating losses or surpluses in the ratio of 90%, and 10% respectively.

Property	Property Code	Number of Units
Bridgeland 2	BL2	215
Bowness 1	BN1	30
Bowness 2	BN2	6
Bowness 3	BN3	10
Bowness 4	BN4	14
Dover 1	DV1	32
Forest Heights 1	FH1	26
Glenbrook 1	GB1	30
Glenbrook 2	GB2	22
Huntington 1	HT1	24
Huntington 2	HT2	18
Huntington 3	HT3	30
Hillhurst 1	HU1	80
Hillhurst 2	HU2	66
Montgomery 1	MM1	26
Ogden 1	OD1	50
Oakridge 1	OR1	30
Penbrook 1	PB1	27
Spruce Cliff 1	SC2	249
West Dover 2	WD2	74
Total		1,059

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

STATEMENT OF OPERATIONS

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Rent revenues	\$ 4,777	\$ 4,769	\$ 4,761
Government transfers			
Shared cost agreements	5,183	5,799	4,398
Restricted funds	10,907	3,702	4,324
Insurance recoveries	-	47	138
Miscellaneous	187	159	189
	<u>21,054</u>	<u>14,476</u>	<u>13,810</u>
EXPENSES			
Administration	695	537	523
Salaries and benefits	3,472	2,923	2,658
Amortization of tangible capital assets	16	17	20
Maintenance	13,179	7,026	6,898
Property operations	1,653	2,029	1,797
Utilities	2,015	1,877	1,814
Insurance	-	44	100
	<u>21,030</u>	<u>14,453</u>	<u>13,810</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	24	23	-
OTHER ITEMS			
Emergency Replacement Reserve	<u>(24)</u>	<u>(23)</u>	<u>-</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

Provincially Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 2,703 units [2018 – 2,704 units], all of which are residential, in 100 properties [2018 - 100 properties] owned by the Province of Alberta, as listed below. The Province subsidizes 100% of the deficits of this portfolio. Of the buildings below, 53 are on City-owned land that is leased by the Province.

Property	Property Code	Number of Units
Abbeydale 1	AB1	13
Abbeydale 2	AB2	9
Abbeydale 3	AB3	17
Abbeydale 4	AB4	14
Abbeydale 6	AB6	21
Accessible Hsg. 1	AH1	2
Applewood 1	AP1	53
Beddington Heights 1	BH1	40
Baker House/Langin Place	BKH	270
Beddington Heights 2	BH2	50
Bowness 6	BN6	2
Bowness 7	BN7	9
Bowness 8	BN8	27
Cedarbrae 1	CB1	9
Cedarbrae 2	CB2	24
Cedarbrae 6	CB6	12
Crescent Heights 2	CH2	20
Capital Hill 3	CH3	6
Castleridge 1	CS1	16
Castleridge 5	CR5	12
Dalhousie 1	DA1	64
Deer Ridge 1	DR1	43
Deer Valley 1	DR2	30
Dover 3	DV3	12
Dover 4	DV4	18
Dover 5	DV5	4
Dover 5B	DVB	2
Dover 6	DV6	10
Edgemont 1	ED1	84
Erinwoods 2	EW2	14

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

Erinwoods 3	EW3	84
Erinwoods 5	EW5	28
Forest Heights 2	FH2	7
Forest Heights 3	FH3	14
Forest Lawn 2	FL2	5
Falconridge 1	FR1	20
Falconridge 2	FR2	8
Falconridge 6	FR6	48
Falconridge 7	FR7	49
Glenbrook 3	GB3	2
Glenbrook 4	GB4	46
Highland Park 2	HP2	8
Inglewood 3	IW3	6
Inglewood 8	IW8	18
Killarney 1	KL1	17
Killarney 2	KL2	13
Lincoln Park 6	LP6	65
MacEwan Glen 1 & 2	MG1	74
McKenzie 1	MK1	60
Montgomery 4	MM4	2
Montgomery 6	MM6	51
Mission 1	MN1	30
Midnapore 1	MP1	60
Mountview 1	MT1	7
North Haven 2	NH2	12
Ogden 4	OG4	4
Ogden 5	OG5	4
Ogden 6	OG6	12
Penbrook 2	PB2	4
Parkland 1	PL1	8
Parkland 2	PL2	10
PineHill 1	PH1	40
Pineridge 1	PR1	62
Pineridge 2	PR2	62
Pineridge 3	PR3	24
Rundle 1	RD1	56

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Renfrew 2	RF2	20
Radisson Heights 1	RH1	7
Radisson Heights 2	RH2	3
Radisson Heights 3	RH3	4
Radisson Heights 4	RH4	7
Radisson Heights 5	RH5	9
Radisson Heights 6	RH6	41
Ranchlands 1	RL1	8
Ranchlands 2	RL2	18
Ranchlands 3	RL3	15
Ranchlands 4	RL4	9
Ranchlands 5	RL5	45
Ranchlands 8	RL8	34
Ramsay 2	RM2	8
Ramsay 7	RM7	12
Rosscarrock 1	RS1	50
South Calgary 1	SC1	24
Social Housing 3	SH3	2
Social Housing 4	SH4	2
Strathcona 1	ST1	63
Southview 2	SV2	40
Shawnessy 1	SY1	37
Stanley 1	SM1	32
Thorncliffe 1	TC1	7
Temple 1	TP1	38
Temple 2	TP2	8
Vista Heights 1	VH1	23
Woodbine 1	WB1	18
Whitehorn 1	WH1	16
Whitehorn 2	WH2	8
Whitehorn 4	WH4	2
Willow Park 1	WP1	22
Woodlands 1	WL1	56
Woodlands 2	WL2	88
Total		2,703

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

STATEMENT OF OPERATIONS

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Rent revenues	\$ 12,223	\$ 12,397	\$ 11,902
Government transfers			
Shared cost agreements	12,816	11,711	13,603
Restricted funds	7,026	5,425	7,837
Insurance recoveries	-	-	2
Miscellaneous	320	253	272
	<u>32,385</u>	<u>29,786</u>	<u>33,616</u>
EXPENSES			
Administration	1,775	1,354	1,335
Salaries and benefits	7,752	6,950	7,076
Amortization of tangible capital assets	40	43	51
Maintenance	13,243	11,853	15,852
Property operations	2,903	3,327	3,059
Taxes and leases	1,046	1,046	1,046
Utilities	5,565	5,151	5,184
Insurance	-	1	13
	<u>32,324</u>	<u>29,725</u>	<u>33,616</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	61	61	-
OTHER ITEMS			
Emergency Replacement Reserve	(61)	(61)	-
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

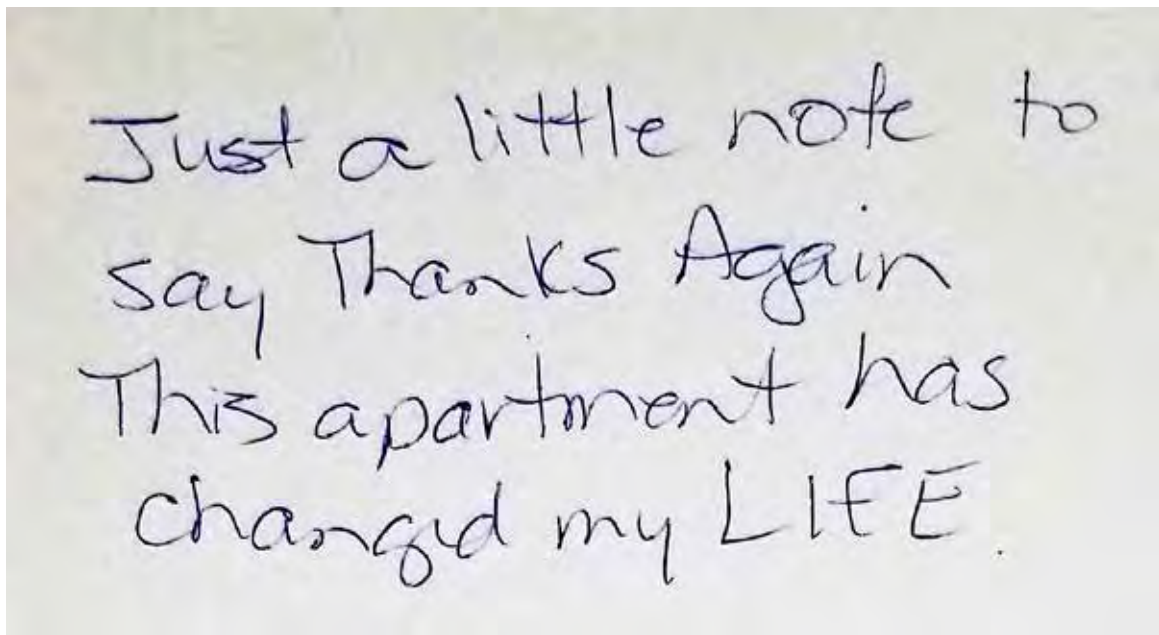
Rent Supplement Portfolio (Unaudited)

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

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

For the year ended December 31, 2019

	<u>BUDGET</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Government transfers			
Rent supplement funding	\$ 19,200	\$ 19,512	\$ 19,131
EXPENSES			
Administration	363	215	264
Salaries and benefits	649	652	598
Rent supplement payments	18,188	18,645	18,269
	<u>19,200</u>	<u>19,512</u>	<u>19,131</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A photograph of a handwritten note on a piece of paper. The text is written in black ink in a cursive, casual style. The note reads: "Just a little note to say Thanks Again This apartment has changed my LIFE." The word "LIFE" is written in all caps. The paper is slightly off-white and has some faint smudges.

Just a little note to
say Thanks Again
This apartment has
changed my LIFE.

- note received from tenant, June 2019



Corporate Office

Rocky Mountain Plaza
Suite 800, 615 Macleod Trail SE
Calgary, AB T2G 4T8

East District Office

Marlborough Mall Professional Building
320, 433 Marlborough Way NE
Calgary, AB T2A 5H5

South District Office

Glenmore & Centre Shopping Centre
#18, 6624 Centre St. SE
Calgary, AB T2H 0C6

West District Office

Braithwaite Boyle Centre
1701 Centre St. NW
Calgary, AB T2E 8A4

All Locations

(587) 390-1200

calgaryhousingcompany.org