

Financial Statements

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

December 31, 2018



Deloitte LLP
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Calgary, AB T2P 0R8
Canada

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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, 2018, and the statements of operations, changes in net debt and cash flows 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, 2018, and the results of its operations, changes in its net debt, 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.

Unaudited Supplementary Information

The statements of operations by portfolios are presented with the financial statements but are not required by PSAS. Our opinion on the financial statements does not cover 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.



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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.

Deloitte LLP

Chartered Professional Accountants
March 21, 2019
Calgary, Alberta

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF FINANCIAL POSITION
(Expressed in Thousands of Dollars)

As at December 31, 2018

	<u>2018</u>	<u>2017</u>
Financial Assets		
Cash (Note 3)	\$ 38,935	\$ 34,183
Receivables		
Rent and others	687	680
Government	12,075	3,387
	<u>51,697</u>	<u>38,250</u>
Liabilities		
Accounts payable and accrued liabilities	17,571	8,804
Unearned tenant rent revenue	1,909	1,647
Deferred funding (Note 3)	9,068	10,405
Payable to government	2,749	899
Rent supplement advance (Note 4)	4,255	4,255
Tenants' security deposits	1,069	1,067
Mortgage payable (Note 5)	10,056	12,601
Employee benefit obligation (Note 6)	2,195	2,041
	<u>48,872</u>	<u>41,719</u>
NET ASSETS (DEBT)	2,825	(3,469)
Non-Financial Assets		
Tangible capital assets (Note 7)	96,876	99,678
Prepaid expenses	466	132
	<u>97,342</u>	<u>99,810</u>
ACCUMULATED SURPLUS (Note 10)	\$ 100,167	\$ 96,341

See accompanying notes

On behalf of the Board


Chair


President

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenue	\$ 48,528	\$ 48,189	\$ 47,951
Government transfers			
Shared cost agreements	19,639	19,607	13,893
Restricted funds (Note 11)	20,589	17,244	6,439
Debt interest rebate	212	214	237
Rent supplement funding	19,200	19,131	19,435
Interest income	498	718	456
Insurance recoveries (Note 12)	-	233	423
Miscellaneous	1,375	1,657	1,393
	<u>110,041</u>	<u>106,993</u>	<u>90,227</u>
EXPENSES			
Administration	5,387	3,923	3,052
Salaries and benefits	20,154	18,609	18,781
Amortization of tangible capital assets	3,213	3,027	3,030
Debt servicing	349	369	454
Maintenance	33,373	34,971	19,650
Property operations	10,129	9,875	8,406
Rent supplement	18,359	18,269	18,603
Taxes and leases	1,990	1,961	1,975
Utilities	11,402	10,361	10,689
Insurance (Note 12)	-	184	293
Restricted expenses	65	151	249
	<u>104,421</u>	<u>101,700</u>	<u>85,182</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	5,620	5,293	5,045
OTHER ITEMS			
Return to The City of Calgary	(74)	(1,467)	(339)
City of Calgary surplus retained	-	-	(570)
Loss on asset disposal	-	-	(346)
	<u>(74)</u>	<u>(1,467)</u>	<u>(1,255)</u>
SURPLUS	<u>\$ 5,546</u>	<u>\$ 3,826</u>	<u>\$ 3,790</u>

See accompanying notes

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF CASH FLOWS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2018

	<u>2018</u>	<u>2017</u>
NET INFLOW/(OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Surplus	\$ 3,826	\$ 3,790
Non-cash items:		
Amortization of tangible capital assets	3,027	3,030
Loss on asset disposal	-	346
Change in non-cash working capital (Note 17)	670	2,869
	<u>7,523</u>	<u>10,035</u>
CAPITAL ACTIVITIES		
Addition of tangible capital assets	(227)	(918)
Proceeds on disposal of tangible capital assets	-	45
	<u>(227)</u>	<u>(873)</u>
FINANCING AND INVESTING ACTIVITIES		
Repayment of long term debt	(2,544)	(3,875)
	<u>(2,544)</u>	<u>(3,875)</u>
NET INCREASE IN CASH DURING THE YEAR	4,752	5,287
CASH, BEGINNING OF YEAR	<u>34,183</u>	<u>28,896</u>
CASH, END OF YEAR (Note 3)	<u><u>\$ 38,935</u></u>	<u><u>\$ 34,183</u></u>

See accompanying notes

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2018

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
ANNUAL SURPLUS	\$ 5,546	\$ 3,826	\$ 3,790
TANGIBLE CAPITAL ASSETS			
Additions of tangible capital assets	(5,161)	(227)	(918)
Loss on asset disposal	-	-	346
Proceeds on disposal of tangible capital assets	-	-	45
Amortization of tangible capital assets	3,213	3,027	3,030
	<u>(1,948)</u>	<u>2,800</u>	<u>2,503</u>
OTHERS			
Increase in prepaid expenses	-	(332)	(12)
	<u>-</u>	<u>(332)</u>	<u>(12)</u>
CHANGE IN NET DEBT	3,598	6,294	6,281
NET DEBT, BEGINNING BALANCE	<u>(3,469)</u>	<u>(3,469)</u>	<u>(9,750)</u>
NET ASSETS (DEBT), ENDING BALANCE	<u>\$ 129</u>	<u>\$ 2,825</u>	<u>\$ (3,469)</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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 solutions to Calgarians 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 Provincial Fixed Subsidy Portfolio

This portfolio consists of 198 units [2017 – 592] owned and managed by the Company. The Province subsidizes the interest payments on the mortgages of these properties so that the effective rate of interest to the Company is 2% per annum. In the event the maximum federal assistance received (debt interest rebate) exceeds the actual required, the excess federal assistance received shall be refundable to the Province. The net surplus and/or losses are the responsibility of the Company.

Due to the expiry of Provincial subsidy agreements during 2017, 394 units (6 properties) were moved from this portfolio to the Calhome Owned portfolio. The 2017 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.

CHC Private Non-Profit Portfolio

This portfolio consists of 207 units [2017 – 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 1,532 units [2017 – 1,138] owned by the Company with no direct subsidy from any governmental agency.

Calhome Properties Ltd.
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NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

Corporate Properties Residential Units Portfolio

This portfolio consists of 239 units [2017 – 246] 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, the remaining seven units in the Midfield property were closed which caused the decrease in unit count in 2018.

City of Calgary Partnership Portfolio

This portfolio consists of 1,176 units [2017 – 1,128] 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. During the year, the new Wildwood property with 48 units became operational.

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 [2017 – 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 2,704 units [2017 – 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.

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 the rate of \$31 per unit per month.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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).

Calhome Properties Ltd.
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NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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 of Calgary [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.

Calhome Properties Ltd.
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NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

Changes in Accounting Policy

The Company has prospectively adopted the following standards with an effective date of January 1, 2018:

- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights
- PS 3420 Inter-entity Transactions
- PS 2200 Related Party Disclosures

The adoption of these standards has only impacted note disclosures in the financial statements, as reflected in Notes 13, 14, and 16.

Assets

Assets ("PS 3210") provides additional guidance for applying the definition of assets and establishes general disclosure standards for assets.

Contingent Assets

Contingent Assets ("PS 3320") defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

Contractual Rights

Contractual Rights ("PS 3380") defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual rights is required.

Related Party Disclosures

Related Party Disclosures ("PS 2200") defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

Inter-entity Transactions

Inter-entity Transactions ("PS 3420") specifically addresses the reporting of transactions between entities controlled by the government's reporting entity from both a provider and recipient perspective. Disclosure of this information is required whether or not the transaction is given accounting recognition.

Future Accounting Pronouncements

Restructuring Transactions

Restructuring Transactions ("PS 3430") establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor. This standard is effective for fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted.

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.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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 is as follows:

	2018	2017
	\$	\$
Restricted		
Tenants' security deposits	1,069	1,067
Rent supplement fund advance (Note 4)	4,255	4,255
Restricted replacement reserve	6,887	6,583
Restricted operating reserve	536	536
Provincial emergency fund	719	-
Deferred capital contributions (Note 10)	5,409	5,409
Deferred funding	9,068	10,405
	<u>27,943</u>	<u>28,255</u>
Unrestricted	10,992	5,928
	<u>38,935</u>	<u>34,183</u>

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 would be used to pay rental subsidies to private landlords and tenants in the event that the Province decides to discontinue the rent supplement program.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

5. MORTGAGES PAYABLE

Mortgages in the amount of \$1,593 [2017 - \$2,684] are for the fixed subsidy properties. These mortgages have interest rates, before the senior government interest subsidy, between 0.94% and 6.45% per annum [2017 – 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 \$8,463 [2017 - \$9,917]. The interest rate of these mortgages varies from 1.04% to 4.34% per annum [2017 – between 1.04% and 4.52% per annum].

The mortgage repayment schedule is as follows:

Year	\$
2019	1,391
2020	1,177
2021	1,026
2022	1,066
Thereafter	5,396
	<u>10,056</u>

Related land and buildings have been pledged as collateral for mortgages payable. The net book value of land and buildings pledged amounts to \$59,398 [2017 - \$69,552] as at December 31, 2018.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

6. EMPLOYEE BENEFIT OBLIGATION

The Company does not pay honoraria to its Board members.

The employee benefit obligation program is administered by employees of 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 2017 the LAPP reported a surplus, based on extrapolated results of the actuarial valuation, of \$4.84 billion [2016 – deficit of \$0.64 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:

	2018	2017
Members' Rate up to YMPE	9.39%	10.39%
Members' Rate over YMPE	13.84%	14.84%
Employers' Rate up to YMPE	10.39%	11.39%
Employers' Rate over YMPE	14.84%	15.84%

The current service contributions by the Company, as reflected in 'Salaries and Benefits' to the LAPP, were \$1,810 [2017 - \$1,956]. The current service contributions by the employees allocated to the LAPP were \$1,654 [2017 - \$1,937].

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

7. TANGIBLE CAPITAL ASSETS

	Jan 1, 2018 Opening Balance	Additions	Disposal/ Transfers	December 31, 2018 Closing Balance
Cost	\$	\$	\$	\$
Land	27,957	-	-	27,957
Building	96,721	-	-	96,721
Building Betterment	31,550	96	-	31,646
Systems/M&E	2,273	-	-	2,273
Leasehold Improvements	515	-	-	515
Vehicles	390	58	-	448
Furniture	347	-	-	347
Work in Progress	728	457	(386)	799
	160,481	611	(386)	160,706

	Jan 1, 2018 Opening Balance	Additions	Disposal/ Transfers	December 31, 2018 Closing Balance
Accumulated Depreciation	\$	\$	\$	\$
Building	51,160	1,886	-	53,046
Building Betterment	6,774	1,008	-	7,782
Systems/M&E	2,225	31	-	2,256
Leasehold Improvements	296	53	-	349
Vehicles	78	45	-	123
Furniture	270	4	-	274
	60,803	3,027	-	63,830
Net Book Value	99,678	(2,416)	(386)	96,876

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, 2018 and 2017, one share was issued.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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, mortgages payable and employee benefit obligation. 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.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

10. ACCUMULATED SURPLUS

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

	2018	2017
	\$	\$
Accumulated surplus (Opening)	96,341	92,551
Surplus	3,826	3,790
Accumulated surplus (Closing)	100,167	96,341

	2018	2017
	\$	\$
Accumulated surplus(deficit)	515	(3,263)
Restricted replacement reserve	6,887	6,583
Operating reserve	536	536
Deferred capital contribution	5,409	5,409
Equity in tangible capital assets *	86,820	87,076
	100,167	96,341

	2018	2017
	\$	\$
* Equity in tangible capital assets		
Tangible capital assets (Note 7)	160,706	160,480
Accumulated amortization (Note 7)	(63,830)	(60,803)
Long-term debt (Note 5)	(10,056)	(12,601)
	86,820	87,076

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 a revenue or as an increase in equity in tangible capital assets when the related expenditures are incurred.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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 2018, the Company utilized \$17,244 [2017 - \$6,439] of restricted grants and recorded the related restricted revenue. This resulted in additional \$7,709 in Government receivables related to restricted grants.

	January 1, 2018	Restricted Inflows	Revenue Earned	Grants in Receivables	December 31, 2018
	\$	\$	\$	\$	\$
The City of Calgary	(8,075)	-	695	-	(7,380)
The Government of Alberta	(2,330)	(3,353)	2,994	1,002	(1,688)
	<u>(10,405)</u>	<u>(3,353)</u>	<u>3,689</u>	<u>1,002</u>	<u>(9,068)</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, building condition assessments, and the women fleeing violence program.

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.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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, 2018, the estimated amount of claims where recovery is likely is \$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 \$
2019	561	7,670	8,231
2020	548	5,898	6,446
2021	381	9,165	9,546
2022	284	4,505	4,789
2023	190	-	190
Thereafter	183	-	183
	2,147	27,238	29,385

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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 Fixed Subsidy – debt financing at 2%
- 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 \$
2019	98	497	562	1,157
2020	98	489	562	1,149
2021	98	489	363	950
2022	98	489	-	587
2023	98	229	-	327
Thereafter	784	-	-	784
	1,274	2,193	1,487	4,954

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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 includes key management personnel and 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.

	2018
	<u>\$</u>
Revenue	
Restricted revenue	<u>3,546</u>
Expenses and Other Items	
Administration	71
Return to the City of Calgary	<u>1,456</u>
	<u>1,527</u>
 Receivable from related parties	 <u>1,868</u>
Deferred revenue transactions	<u>7,377</u>
Contractual Rights	<u>25,880</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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, 2018, the City of Calgary forgave property taxes in the amount of \$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

	2018	2017
	\$	\$
Receivables	(8,695)	(1,080)
Accounts payable and accrued liabilities	8,767	2,616
Unearned revenue	262	(23)
Deferred funding	(1,337)	1,925
Payable to senior government	1,850	(763)
Tenants' security deposits	2	(22)
Employee benefit obligation	154	228
Prepaid expenses	(333)	(12)
Increase/(Decrease) in non-cash working capital	670	2,869

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2018

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 six properties from the Provincial Fixed Subsidy portfolio to the Calhome Owned portfolio. This reclassification only affects the portfolio-level Statements of Operations, and not the consolidated financials.
- Transfer of \$536 from unrestricted cash to restricted cash for CHC's operating reserve.

19. APPROVAL OF BUDGET AND FINANCIAL STATEMENTS

Budget figures included in the financial statements were approved by the Board at the September 21, 2018 Board meeting. The Board and Management have approved these financial statements.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENTS OF OPERATIONS BY PORTFOLIOS:

Provincial Fixed Subsidy Portfolio

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'

Provincial Fixed Subsidy Portfolio (Unaudited)

This portfolio consists of 198 units [2017 – 592 units], of which 196 are residential and 2 are non-residential, in 5 properties [2017 – 11 properties] owned by the Company, as listed below.

The portfolio receives an interest subsidy from the Province of Alberta equivalent to the amount that reduces the Company's debt financing costs to 2% per annum. The Company bears financial responsibility for operating surpluses or losses subsequent to the application of subsidies.

Due to the expiry of Provincial subsidy agreements during 2018, 394 units were moved from this portfolio to the Calhome Owned portfolio. The 2017 figures were reclassified to reflect this transfer in order to provide an appropriate basis for comparative purposes.

Property	Property Code	Number of Units
Connaught 2	CN2	48
Cedarbrae 5	CB5	14
Penbrooke 3	PB3	77
Sunalta 1	SN1	26
Tuxedo 1	TX1	33
Total		198

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

For the Provincial Fixed Subsidy Portfolio
(Expressed in Thousands of Dollars)
(Unaudited)

For the year ended December 31, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenues	\$ 2,031	\$ 1,905	\$ 2,039
Government transfers			-
Restricted funds	173	170	153
Debt interest rebate	6	11	11
Insurance recoveries	-	22	39
Miscellaneous	25	44	33
	<u>2,235</u>	<u>2,152</u>	<u>2,275</u>
EXPENSES			
Administration	168	98	74
Salaries and benefits	494	457	461
Amortization of tangible capital assets	443	264	296
Debt servicing	109	106	43
Maintenance	795	616	578
Property operations	280	285	256
Taxes and leases	117	122	101
Utilities	212	235	208
Insurance	-	22	9
	<u>2,618</u>	<u>2,205</u>	<u>2,026</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(383)	(53)	249
OTHER ITEMS			
Loss on asset disposal	-	-	(6)
	<u>-</u>	<u>-</u>	<u>(6)</u>
SURPLUS	<u>\$ (383)</u>	<u>\$ (53)</u>	<u>\$ 243</u>

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

Private Non-Profit Portfolio (Unaudited)

This portfolio consists of 207 units [2017 – 207 units], all of which are residential, in 10 properties [2017 – 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	W1	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, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenues	\$ 860	\$ 865	\$ 857
Government transfers			
Shared cost agreements	1,639	1,606	1,473
Restricted funds	1,733	1,301	25
Interest income	6	13	5
Insurance recoveries	-	-	9
Miscellaneous	19	14	18
	<u>4,257</u>	<u>3,799</u>	<u>2,387</u>
EXPENSES			
Administration	159	196	99
Salaries and benefits	612	618	509
Amortization of tangible capital assets	366	340	348
Debt servicing	58	58	63
Maintenance	2,335	1,851	649
Property operations	302	324	310
Taxes and leases	97	90	96
Utilities	328	306	309
Insurance	-	-	8
	<u>4,257</u>	<u>3,783</u>	<u>2,391</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	-	16	(4)
OTHER ITEMS			
Loss on asset disposal	-	-	(6)
	<u>-</u>	<u>-</u>	<u>(6)</u>
SURPLUS	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ (10)</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Calhome Owned Portfolio (Unaudited)

This portfolio is comprised of 1,532 units [2017 – 1,138 units], of which 1,528 are residential and 4 are non-residential, in 35 properties [2017–29 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 2018, 394 units were moved to this portfolio from Provincial Fixed Subsidy portfolio. The 2017 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
Transfer From Province	TR5	5
Vista Hts 2	VH2	52
Parkland 3	PL3	36

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Queensland 1	QL1	56
Queensland 2	QL2	20
Ranchlands 7	RL7	55
Silver Springs 1	SS1	31
Whitehorn 3	WH3	20
Total		1532

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, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenues	\$ 16,961	\$ 17,686	\$ 16,931
Restricted funds	6,722	2,148	1,629
Debt interest rebate	206	203	508
Interest income	492	705	475
Insurance recoveries	-	70	163
Miscellaneous	723	555	357
	<u>25,104</u>	<u>21,367</u>	<u>20,063</u>
EXPENSES			
Administration	2,037	828	754
Salaries and benefits	4,272	3,926	3,712
Amortization of tangible capital assets	2,323	2,325	2,287
Debt servicing	182	205	348
Maintenance	5,602	6,010	5,050
Property operations	2,452	2,182	1,836
Taxes and leases	730	703	732
Utilities	1,512	1,365	1,469
Insurance	-	49	99
Restricted expenses	65	151	249
	<u>19,175</u>	<u>17,744</u>	<u>16,536</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	5,929	3,623	3,527
OTHER ITEMS			
Loss on asset disposal	-	-	(183)
	<u>-</u>	<u>-</u>	<u>(183)</u>
SURPLUS	<u>\$ 5,929</u>	<u>\$ 3,623</u>	<u>\$ 3,344</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Corporate Properties Residential Portfolio (Unaudited)

The Company manages 239 units [2017 – 246 units], all of which are residential, in 8 properties [2017 – 9 properties] on behalf of the City of Calgary. Any operating surplus is to be returned to the City of Calgary.

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	54
South East B	SEB	2
South West A	SWA	1
South West B	SWB	2
South Hill Mobile Homes	SHM	106
Total		239

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, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenues	\$ 1,821	\$ 1,714	\$ 2,225
Restricted funds	35	372	11
Insurance recoveries	-	-	12
Miscellaneous	22	75	18
	<u>1,878</u>	<u>2,161</u>	<u>2,266</u>
EXPENSES			
Administration	179	118	120
Salaries and benefits	794	554	774
Amortization of tangible capital assets	4	5	3
Maintenance	338	657	473
Property operations	205	249	248
Utilities	307	306	401
	<u>1,827</u>	<u>1,889</u>	<u>2,019</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	51	272	247
OTHER ITEMS			
Return to The City of Calgary	(51)	(272)	(239)
Loss on asset disposal	-	-	(8)
	<u>(51)</u>	<u>(272)</u>	<u>(247)</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 [2017 – 1,128 units], of which 1,171 are residential and 5 are non-residential, in 27 properties [2017 – 26 properties] owned by the City of Calgary, as listed below. The Company manages these properties on behalf of the City of Calgary. In 2018, one new building became operational in this portfolio.

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
Mcperson 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, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenues	\$ 9,438	\$ 9,356	\$ 8,680
Restricted funds	199	1,092	44
Insurance recoveries	-	1	60
Miscellaneous	347	508	390
	<u>9,984</u>	<u>10,957</u>	<u>9,174</u>
EXPENSES			
Administration	577	561	377
Salaries and benefits	2,732	2,722	2,768
Amortization of tangible capital assets	18	22	22
Maintenance	3,161	3,087	1,993
Property operations	2,007	1,979	1,745
Utilities	1,087	1,151	985
Insurance	-	-	49
	<u>9,582</u>	<u>9,522</u>	<u>7,939</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	402	1,435	1,235
OTHER ITEMS			
Inter-portfolio transfers	(378)	-	(321)
Return to The City of Calgary	(24)	(1,195)	(100)
City of Calgary surplus retained	-	-	(570)
Loss on asset disposal	-	-	(31)
	<u>(402)</u>	<u>(1,195)</u>	<u>(1,022)</u>
SURPLUS	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ 213</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

City Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 1,059 units [2017 – 1,059 units], of which 1,050 are residential and 9 are non-residential, in 20 properties [2017 – 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, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenues	\$ 4,812	\$ 4,761	\$ 4,775
Government transfers			
Shared cost agreements	4,397	4,398	\$ 3,669
Restricted funds	6,493	4,324	3,874
Insurance recoveries	-	138	119
Miscellaneous	161	189	181
	<u>15,863</u>	<u>13,810</u>	<u>12,618</u>
EXPENSES			
Administration	573	523	395
Salaries and benefits	3,033	2,658	2,843
Amortization of tangible capital assets	16	20	21
Maintenance	8,774	6,898	6,147
Property operations	1,776	1,797	1,513
Utilities	2,069	1,814	1,861
Insurance	-	100	128
	<u>16,241</u>	<u>13,810</u>	<u>12,908</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(378)	-	(290)
OTHER ITEMS			
Inter-portfolio transfers	378	-	321
Loss on asset disposal	-	-	(31)
	<u>378</u>	<u>-</u>	<u>290</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 2,704 units [2017 – 2,704 units], all of which are residential, in 100 properties [2017 - 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	3
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		2,704

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, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Rent revenues	\$ 12,604	\$ 11,902	\$ 12,444
Government transfers			
Shared cost agreements	13,603	13,603	8,751
Restricted funds	5,233	7,837	397
Insurance recoveries	-	2	21
Miscellaneous	79	272	396
	<u>31,519</u>	<u>33,616</u>	<u>22,009</u>
EXPENSES			
Administration	1,488	1,335	1,027
Salaries and benefits	7,580	7,076	7,088
Amortization of tangible capital assets	43	51	54
Maintenance	12,368	15,852	4,759
Property operations	3,107	3,059	2,498
Taxes and leases	1,046	1,046	1,046
Utilities	5,887	5,184	5,456
Insurance	-	13	-
	<u>31,519</u>	<u>33,616</u>	<u>21,928</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	-	-	81
OTHER ITEMS			
Loss on asset disposal	-	-	(81)
	<u>-</u>	<u>-</u>	<u>(81)</u>
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 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, 2018

	<u>BUDGET</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Government transfers			
Rent supplement funding	\$ 19,200	\$ 19,131	\$ 19,435
EXPENSES			
Administration	203	264	206
Salaries and benefits	638	598	626
Rent supplement payments	18,359	18,269	18,603
	<u>19,200</u>	<u>19,131</u>	<u>19,435</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>