

Financial Statements

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

December 31, 2023

Independent Auditor's Report

To the Directors of
Calhome Properties Ltd.

Opinion

We have audited the financial statements of Calhome Properties Ltd. ('Operating as Calgary Housing Company') ('Calhome') which comprise the statement of financial position as at December 31, 2023 and the statements of operations, remeasurement gains and losses, change in net assets 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, 2023 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.

Deloitte LLP

Chartered Professional Accountants
March 15, 2024

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF FINANCIAL POSITION
(Expressed in Thousands of Dollars)

As at December 31, 2023

	2023	2022 (Restated-Note 2)
Financial Assets		
Cash (Note 3)	\$ 45,229	\$ 43,692
Receivables		
Rent and others	661	1,253
Government	7,358	7,015
Investments (Note 4)	19,487	16,083
	<u>72,735</u>	<u>68,043</u>
Liabilities		
Accounts payable and accrued liabilities	9,965	12,652
Unearned tenant rent revenue	2,156	2,343
Deferred funding (Note 12)	4,745	9,571
Payable to government	1,066	1,176
Rent supplement advance (Note 5)	4,263	5,679
Tenants' security deposits (Note 3)	1,198	1,161
Mortgages payable (Note 6)	4,442	5,254
Asset retirement obligations (Note 13)	9,776	8,928
Employee benefit obligation (Note 7)	3,347	2,772
	<u>40,958</u>	<u>49,536</u>
NET ASSETS	31,777	18,507
Non-Financial Assets		
Tangible capital assets (Note 8)	100,154	98,212
Prepaid expenses	3,306	3,129
	<u>103,460</u>	<u>101,341</u>
Accumulated remeasurement losses	(600)	(1,740)
Accumulated surplus (Note 11)	135,837	121,588
	<u>\$ 135,237</u>	<u>\$ 119,848</u>

Contractual rights (Note 16)
Contractual obligations (Note 17)

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

On behalf of the Board


Chair


President and CEO

Page | 2

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent revenue	\$ 53,500	\$ 55,443	\$ 52,079
Government Transfers			
Deficit funding	19,161	18,459	18,851
Restricted funds (Note 12)	13,498	14,726	21,024
Rent supplement funding	23,866	23,913	20,641
Other contributions (Note 21)	-	4,863	372
Interest income	619	1,458	1,007
Investment income	812	395	182
Insurance recoveries (Note 14)	-	440	1,064
Miscellaneous revenue	1,026	2,005	1,275
	<u>112,482</u>	<u>121,702</u>	<u>116,495</u>
EXPENSES			
Administration	5,010	3,996	4,259
Salaries and benefits	24,482	25,211	22,440
Amortization of tangible capital assets (Note 8)	3,582	3,340	3,252
Accretion (Note 13)	270	293	284
Debt servicing	127	131	162
Maintenance	23,861	28,886	35,747
Property operations	12,296	12,025	11,047
Rent supplement	22,649	22,747	19,560
Taxes and leases	1,919	1,878	1,865
Utilities	13,084	11,247	12,153
	<u>107,280</u>	<u>109,754</u>	<u>110,769</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	5,202	11,948	5,726
OTHER ITEMS			
Return to The City of Calgary	(199)	(289)	(170)
Government contribution (Note 8)	-	2,590	-
	<u>(199)</u>	<u>2,301</u>	<u>(170)</u>
SURPLUS	\$ 5,003	\$ 14,249	\$ 5,556

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
ACCUMULATED REMEASUREMENT (LOSSES) GAINS, BEGINNING OF YEAR	\$ (1,740)	\$ 76
UNREALIZED GAINS (LOSSES) ATTRIBUTABLE TO:		
Portfolio investments designated at fair value	<u>1,140</u>	<u>(1,816)</u>
	<u>1,140</u>	<u>(1,816)</u>
ACCUMULATED REMEASUREMENT LOSSES, END OF YEAR	\$ (600)	\$ (1,740)

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF CASH FLOWS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u> (Restated-Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Surplus	\$ 14,249	\$ 5,556
Non-cash items:		
Amortization of tangible capital assets (Note 8)	3,340	3,252
Accretion of asset retirement obligations (Note 13)	293	284
Government contribution (Note 8)	(2,590)	-
Change in non-cash working capital (Note 19)	(8,542)	(3,974)
	<u>6,750</u>	<u>5,118</u>
CAPITAL ACTIVITIES		
Addition of tangible capital assets (Note 8)	(2,137)	(2,498)
	<u>(2,137)</u>	<u>(2,498)</u>
FINANCING AND INVESTING ACTIVITIES		
Repayment of long term debt	(812)	(783)
Purchase of investments	(2,264)	-
	<u>(3,076)</u>	<u>(783)</u>
NET INCREASE IN CASH DURING THE YEAR	1,537	1,837
CASH, BEGINNING OF YEAR	43,692	41,855
CASH, END OF YEAR (Note 3)	\$ 45,229	\$ 43,692

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

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, 2023

	Budget	2023	2022 (Restated-Note 2)
ANNUAL SURPLUS	\$ 5,003	\$ 14,249	\$ 5,556
TANGIBLE CAPITAL ASSETS			
Additions of tangible capital assets (Note 8)	(2,750)	(4,727)	(2,498)
Amortization of tangible capital assets (Note 8)	3,582	3,340	3,252
Increase in asset retirement obligations (Note 13)	270	(555)	-
Transfer from deferred capital contributions (Note 11)	163	-	-
	<u>1,265</u>	<u>(1,942)</u>	<u>754</u>
OTHERS			
Transfer to payable to senior government	-	-	(319)
Increase in prepaid expenses	-	(177)	(2,509)
Accumulated remeasurement gains (losses)	-	1,140	(1,816)
	<u>-</u>	<u>963</u>	<u>(4,644)</u>
CHANGE IN NET ASSETS	6,268	13,270	1,666
NET ASSETS, BEGINNING BALANCE	18,507	18,507	16,841
NET ASSETS, ENDING BALANCE	<u>\$ 24,775</u>	<u>\$ 31,777</u>	<u>\$ 18,507</u>

The accompanying notes are an integral part of 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, 2023

1. NATURE OF THE BUSINESS

Calhome Properties Ltd. [the "Company"], is a wholly owned subsidiary of the City of Calgary [the "City"] and was incorporated June 16, 1978 pursuant to the Companies Act, then in force, of the Province of Alberta [the "Province"] and was continued under the Business Corporations Act of Alberta on May 29, 1985. The Company also uses the trade name of Calgary Housing Company ["CHC"] which was registered on March 05, 2001.

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

CHC Private Non-Profit Portfolio

This portfolio consists of 206 units [2022 – 206] owned by the Company. The Provincial government subsidizes any operating deficits with the exception of the Lincoln Park Fanning Centre which receives a subsidy in an amount required to reduce debt financing costs to 2% per annum.

Calhome Owned Portfolio

This portfolio is comprised of 1,654 units [2022 – 1,654] owned by the Company with no direct subsidy from any governmental agency.

Corporate Properties Residential Portfolio

This portfolio consists of 214 units [2022 – 221] owned by the City. The Company manages these housing units on behalf of the City. This portfolio receives no subsidy and the net operating results are the responsibility of the City.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2023

1. NATURE OF THE BUSINESS (continued)

City of Calgary Partnership Portfolio

This portfolio consists of 1,181 units [2022 – 1,181] owned by the City. The Company manages a variety of affordable housing units on behalf of the City and receives no subsidy for this portfolio.

City Owned Community Housing Portfolio

This portfolio consists of 840 units [2022 – 1,052] owned by the City and managed by the Company. Any operating deficits are subsidized by the Province, according to a four-year agreement effective January 1, 2021. According to this agreement, from 2021 to 2024, the Province will provide \$4,500 in operating funding and \$4,000 in capital funding on an annual basis, with the remainder of the deficit funded by the City. For the year ended December 31, 2023, the Company received \$4,500 of operating funding and zero capital funding, as the remainder of the capital funding was prepaid during fiscal year 2022.

Provincially Owned Community Housing Portfolio

This portfolio consists of 2,702 units [2022 – 2,702] 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 based on all accounts that are chargeable against the administration and operation of the portfolio in accordance with operating budgets and subject to any other agreements in writing.

Rent Supplement Portfolio

This portfolio is a provincial government program, administered by the Company, to provide rental subsidies paid to private landlords and residents. The Company 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, 2023

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

Revenue

Rents charged to residents 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. If a funding source does not meet the definition of a liability in accordance with PSAS, revenue is recognized upon transfer of the funds.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

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

Investments

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

Non-Financial Assets

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

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. Assets recognized in connection with the asset retirement obligations standard are amortized on a straight-line basis over the estimated useful life of the underlying tangible capital asset.

[ii] Contributions of Tangible Capital Assets

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

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

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserves

Operating Reserve:

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

Capital Reserve:

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

Deferred Capital Contribution:

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

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations

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

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

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

General and Administration

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

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inter-entity Transactions

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

Use of Estimates

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

Goods and Services Tax

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Standards

Asset Retirement Obligations

Asset Retirement Obligations (PS 3280) establishes standards on when to recognize and how to account for asset retirement obligations associated with tangible capital assets controlled by a public sector entity. The Company has adopted the asset retirement obligations standard using the modified retroactive approach effective January 1, 2023, with restatement of comparatives for the 2022 reporting period. In applying the standard for the first time, the Company has used the following practical expedients permitted by the standard:

- Discount and inflation rates applied were effective as of January 1, 2023, for measurement of the initial balances.
- Accumulated accretion and amortization were measured from the date the liability would have been recognized had the provisions of the standard been in effect up until January 1, 2022. The aggregate amount has resulted in an adjustment to the opening balance of accumulated surplus for the comparative year.

The following tables provide details of the changes to the 2022 reported figures due to adopting PS 3280:

As at December 31, 2022:

Statement of Financial Position	Impact	As previously reported	Adjustments	As restated
Tangible capital assets	Increase	\$ 96,229	\$ 1,983	\$ 98,212
Asset retirement obligations	Increase	-	(8,928)	(8,928)
Accumulated surplus	Decrease	(128,533)	6,945	(121,588)

Statement of Operations	Impact	As previously reported	Adjustments	Adjustments
Amortization of tangible capital assets	Increase	\$ 3,168	\$ 84	\$ 3,252
Accretion	Increase	-	284	284

Further information about asset retirement obligations is presented in Note 13.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Pronouncements

Revenue

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

Purchased Intangibles

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

The Company is currently assessing the impact of these new standards 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, 2023

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:

	2023	2022
Restricted		
Tenants' security deposits	\$ 1,198	\$ 1,161
Rent supplement fund advance (Note 5)	4,263	5,679
Restricted funding from senior government	823	914
Restricted operating reserve	8,105	4,061
Restricted capital reserve	20,137	17,138
Provincial emergency fund	802	802
Deferred capital contributions (Note 11)	163	163
Deferred funding (Note 12)	4,745	9,571
	40,236	39,489
Unrestricted	4,993	4,203
	\$ 45,229	\$ 43,692

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

4. PORTFOLIO INVESTMENTS

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

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

	2022			
	\$			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents held for investing purpose	\$ 469	\$ -	\$ -	\$ 469
Government of Canada bonds	-	3,970	-	3,970
Other Canadian government bonds	-	1,780	-	1,780
Canadian corporate bonds	-	5,155	-	5,155
Fixed Income Pooled Funds	-	774	-	774
Global Equity	2,268	1,667	-	3,935
	<u>\$ 2,737</u>	<u>\$ 13,346</u>	<u>\$ -</u>	<u>\$ 16,083</u>

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

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

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

The investments consist of bonds and equities with a market value of \$19,487 (2022 – \$16,083) and a carrying value of \$20,087 (2022 – \$17,823). The average yield earned from investment during the year was 2.03% (2022 – 1.13%). These investments are classified at Level 1 and 2 in the fair value hierarchy and there was no movement between the levels in the fair value hierarchy during the year.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2023

4. PORTFOLIO INVESTMENTS (continued)

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

The City Treasury who manages the Company's investments does not provide a rate of return for each individual bond but provides a rate on each portfolio as a whole. These are the rates that the Company earns on its portion of investments. During the year portfolio investments earned interest of \$395 (2022 - \$182). The Company has invested restricted amounts from the reserves disclosed within accumulated surplus. The aggregate amount of portfolio investments that are restricted in nature are a total market value of \$19,487 (2022 - \$16,083). Refer to Note 11 for information regarding accumulated surplus and the related reserves.

5. RENT SUPPLEMENT ADVANCE

The Rent Supplement Portfolio operates on the basis of the Province reimbursing the Company for the rental subsidies paid to private landlords and residents, and an administration fee. All payments to landlords and residents are reported as expenses and all rent supplement payments received by the Company from the Province are reported as rent supplement revenue. The Province provided the Company with a \$4,255 operational cash advance in 2012.

This advance was provided to pay rental subsidies to private landlords and residents in the event that the Province decides to discontinue the rent supplement program. The advance is used to temporarily address shortfalls in subsidy receipts due to timing differences.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

6. MORTGAGES PAYABLE

The Company has mortgages with interest rates varying from 0.68% to 6.45% per annum [2022 – between 0.68% and 6.45% per annum].

The mortgage repayment schedule is as follows:

Year	Total
2024	\$ 617
2025	513
2026	516
2027	488
2028	491
Thereafter	1,817
	<u>\$ 4,442</u>

Related land and buildings have been pledged as collateral for mortgages payable. The net book value of land and buildings pledged amounts to \$32,952 [2022 - \$32,106] as of December 31, 2023.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

7. EMPLOYEE BENEFIT OBLIGATION

The Company does not pay honoraria to its Board members.

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

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

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

	<u>2023</u>	<u>2022</u>
Members' Rate up to YMPE	7.45%	7.45%
Members' Rate over YMPE	11.23%	11.80%
Employers' Rate up to YMPE	8.45%	8.45%
Employers' Rate over YMPE	12.23%	12.80%

The current service contributions by the Company, as reflected in 'Salaries and Benefits' to the LAPP, were \$1,871 [2022 - \$1,700]. The current service contributions by the employees allocated to the LAPP were \$1,677 [2022 - \$1,525].

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

8. TANGIBLE CAPITAL ASSETS

As at December 31, 2023

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

8. TANGIBLE CAPITAL ASSETS (continued)

As at December 31, 2022
(restated)

Cost	January 1, 2022					December 31, 2022 Closing Balance (Restated)
	Opening Balance	Depreciation	Additions	Transfers	Adjustments	
Land	\$ 28,593	\$ -	\$ -	\$ 181	\$ -	\$ 28,774
Building	92,814	-	-	-	-	92,814
Building Betterment	41,246	-	-	3,824	-	45,070
Systems/M&E	2,273	-	-	-	-	2,273
Vehicles	484	-	-	-	-	484
Furniture	347	-	-	-	-	347
ARO Asset *	-	-	-	-	3,995	3,995
Work in Progress	1,809	-	2,498	(4,005)	-	302
	167,566	-	2,498	-	3,995	174,059
Accumulated Depreciation						
Building	56,804	1,738	-	-	-	58,542
Building Betterment	11,035	1,381	-	-	-	12,416
Systems/M&E	2,273	-	-	-	-	2,273
Vehicles	266	44	-	-	-	310
Furniture	289	5	-	-	-	294
ARO Asset *	-	84	-	-	1,928	2,012
	70,667	3,252	-	-	1,928	75,847
Net Book Value	\$ 96,899	\$ (3,252)	\$ 2,498	\$ -	\$ 2,067	\$ 98,212

On May 31, 2023, the Company received a contribution of land with a fair value of \$2,590 from the Government of Alberta for nominal consideration. This government contribution has been recognized on the statement of operations. A restrictive land use agreement was signed as part of this transaction which limits the use of the purchased lands to the provision of affordable housing and related services.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

For the year ended December 31, 2023

9. SHARE CAPITAL

The Company is authorized to issue 100 shares with no par value for a maximum consideration of one dollar per share. The shares can be issued only to the City, its agent or successor and are not otherwise transferable. As of December 31, 2023, and 2022, one share was issued.

10. FINANCIAL RISK MANAGEMENT

Interest Rate Risk

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

Credit Risk

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

Liquidity Risk

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

10. FINANCIAL RISK MANAGEMENT (Continued)

Market Price Risk

The Company is exposed to market price risk, the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage the risk, the Company has established an investment policy with a target asset mix that is diversified by asset class. If market prices decreased by 1.0%, and all other variables were held constant, there would be a potential unrealized loss of \$195.

11. ACCUMULATED SURPLUS

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

	2023	2022 (Restated-Note 2)
Accumulated surplus (Opening)	\$ 121,588	\$ 116,351
Surplus	14,249	5,556
Transfer to payable to senior government	-	(319)
Accumulated surplus (Closing)	<u>\$ 135,837</u>	<u>\$ 121,588</u>

	2023	2022 (Restated-Note 2)
Operating deficits	\$ (5,502)	\$ (8,816)
Operating reserve	10,724	9,184
Capital reserve	34,740	28,099
Deferred capital contributions	163	163
Equity in tangible capital assets *	95,712	92,958
	<u>\$ 135,837</u>	<u>\$ 121,588</u>

* Equity in Tangible Capital Assets Breakdown

	2023	2022 (Restated-Note 2)
Tangible capital assets (Note 8)	\$ 179,341	\$ 174,059
Accumulated depreciation (Note 8)	(79,187)	(75,847)
Long-term debt (Note 6)	(4,442)	(5,254)
Equity in tangible capital assets	<u>\$ 95,712</u>	<u>\$ 92,958</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

11. ACCUMULATED SURPLUS (continued)

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

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

	2023	2022
Opening balance	\$ 9,184	\$ 2,944
Transfer from City-owned community housing reserve carryover	-	363
Use of operating reserve	-	(158)
Transfer from operations	1,540	6,035
Closing balance	\$ 10,724	\$ 9,184

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

	2023	2022
Opening balance	\$ 28,099	-
Transfer from restricted replacement reserve	-	7,365
Transfer from City-owned community housing reserve	-	4,000
Transfer from deferred capital contribution	-	3,409
Transfer from operations	6,641	13,325
Closing balance	\$ 34,740	\$ 28,099

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

12. RESTRICTED FUNDS

The Company has received restricted grants from the City and the Province to be used for specific purposes. These funds are recognized as restricted revenue in the period they are used for the purpose specified. Unused funding is placed into reserve in accordance with the underlying agreement(s). In 2023, the Company utilized \$14,726 [2022 - \$21,396] of restricted grants and recorded the related revenue and has recognized \$6,494 [2022 - \$6,042] in Government receivables related to restricted grants.

Information regarding the liabilities for restricted grants is as follows:

	Jan 1, 2023	Restricted Inflows	Revenue Earned	Transfer to Reserves	Dec 31, 2023
The City of Calgary	\$ 1,010	\$ 500	\$ (920)	\$ -	\$ 590
The Government of Alberta	8,561	2,594	(2,619)	(4,381)	4,155
	<u>\$ 9,571</u>	<u>\$ 3,094</u>	<u>\$ (3,539)</u>	<u>\$ (4,381)</u>	<u>\$ 4,745</u>

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

The restricted grants provided by the Province have been restricted for capital spending, non-recurring maintenance, suite renovations, utilities, and feasibility studies for new housing projects. Included in the restricted grants provided by the Province is a one-time deferred operating reserve funding ("DORF"), provided in the amount of \$2,193, of which \$2,165 was utilized in the current year. The remaining funds of \$28 can be utilized for social housing operating needs should deficit funding provided be insufficient to operate the Provincially Owned Social Housing portfolio.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

13. ASSET RETIREMENT OBLIGATIONS

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

	2023		2022
Balance, beginning of year	\$ 8,928	\$	8,643
Liabilities settled	-		-
Change in estimate	555		-
Accretion expense	293		284
Balance, end of year	\$ 9,776	\$	8,928

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

As of December 31, 2023, the estimated total undiscounted amount required to settle the asset retirement obligations, at current cost, is \$12,748 [2022 - \$12,748]. Expected payments for these asset retirement obligations are to be made over the following 68 years. The amounts have been inflated at a rate of 1.79 percent and discounted using risk-free interest rates ranging from 2.77 percent to 4.11 percent, depending on the estimated time to settlement of the liability.

14. INSURANCE RECOVERIES AND INSURANCE EXPENSES

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

15. CONTINGENT ASSETS

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

The Company has contingent assets arising from open claims related to insured expenditures. As of December 31, 2023, the estimated amount of claims where recovery is likely is \$63 [2022 - \$100].

16. CONTRACTUAL RIGHTS

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

Year	Long-term lease and rental agreements		Restricted grants		Total
2024	\$	750	\$	4,500	\$ 5,250
2025		525		-	525
2026		292		-	292
2027		184		-	184
2028		81			81
	\$	1,832	\$	4,500	\$ 6,332

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

16. CONTRACTUAL RIGHTS (continued)

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

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

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

17. CONTRACTUAL OBLIGATIONS

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

Year	Land	Office Space	Total
2024	\$ 98	\$ 723	\$ 821
2025	98	979	1,077
2026	98	1,016	1,114
2027	98	1,053	1,151
2028	98	1,092	1,190
Thereafter	294	4,150	4,444
	<u>\$ 784</u>	<u>\$ 9,013</u>	<u>\$ 9,797</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

18. RELATED PARTY TRANSACTIONS

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

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

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

	2023	2022
Revenue		
Restricted revenue	\$ 11,682	\$ 13,359
Expenses and Other Items		
Administration	70	54
Return to The City of Calgary	289	170
	359	224
Receivable from related parties	6,492	6,041
Deferred revenue balance	\$ 590	\$ 1,010

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

During the year, the City cancelled property taxes in the amount of \$1,416 [2022 - \$1,374] on Company owned properties. The Company is not responsible for property taxes on properties it manages but are owned by the Province or the City.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of dollars)

For the year ended December 31, 2023

19. CHANGES IN NON-CASH WORKING CAPITAL

	2023	2022
Receivables	\$ 249	\$ 2,868
Accounts payable and accrued liabilities	(2,687)	(6,110)
Unearned revenue	(187)	(132)
Deferred funding	(4,826)	2,588
Payable to senior government	(110)	(785)
Rent supplement advance	(1,416)	(384)
Tenants' security deposits	37	52
Employee benefit obligation	575	438
Prepaid expenses	(177)	(2,509)
Increase in non-cash working capital	<u>\$ (8,542)</u>	<u>\$ (3,974)</u>

20. APPROVAL OF BUDGET AND FINANCIAL STATEMENTS

Budget figures included in the financial statements were approved by the Board on May 26, 2023. The Board and Management have approved these financial statements.

21. OTHER CONTRIBUTIONS

For the year ended December 31, 2023, the Company elected to disclose separately the revenue recognized on contributions received from external parties that was placed into reserves during the fiscal year. To ensure the comparability of the financial statements, the Company has reclassified the comparative year's revenues on the statement of operations. As a result, \$372 in revenue has been reclassified from restricted funds to third party reserve contributions.

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 10 properties [2022 – 10 properties] owned by the Company, with 206 units [2022 – 206 units], all of which are residential, as listed below. The Provincial government subsidizes any operating deficits with the exception of the Lincoln Park Fanning Centre (LPK5), which receives a subsidy equivalent to the amount required to reduce debt financing costs to 2% per annum. The Company bears the responsibility of financial loss or surplus on the LPK5 property.

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

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, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent revenue	\$ 1,235	\$ 1,327	\$ 1,200
Government Transfers			
Deficit funding	1,742	1,834	1,396
Restricted funds (Note 12)	864	620	659
Interest income	23	115	8
Investment income	-	9	-
Insurance recoveries (Note 14)	-	6	26
Miscellaneous revenue	19	38	24
	<u>3,883</u>	<u>3,949</u>	<u>3,313</u>
EXPENSES			
Administration	134	108	102
Salaries and benefits	655	714	593
Amortization of tangible capital assets (Note 8)	505	442	431
Accretion (Note 13)	81	81	79
Debt servicing	31	31	36
Maintenance	1,191	1,345	1,224
Property operations	553	546	423
Taxes and leases	93	83	84
Utilities	456	342	366
	<u>3,699</u>	<u>3,692</u>	<u>3,338</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	184	257	(25)
SURPLUS	<u>\$ 184</u>	<u>\$ 257</u>	<u>\$ (25)</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Calhome Owned Portfolio (Unaudited)

This portfolio is comprised of 41 properties [2022 – 40 properties] owned by the Company, with 1,654 units [2022 – 1,654 units], of which 1,649 are residential and 5 are non-residential. During the year, the Company purchased property from the Government of Alberta (Note 8). This property consists of vacant land contributing zero units to the portfolio. The Calhome Owned portfolio does not receive any subsidy from other levels of government. The Company may retain surpluses and is responsible for losses.

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

North Haven 3	NHV3	40
Penbrook Meadows 3	PEN3	77
Queensland 1	QLD1	56
Queensland 2	QLD2	20
Ranchlands 6	RAN6	50
Ranchlands 7	RAN7	55
Silver Springs 1	SIL1	31
Spruce Cliff 2	SPR2	2
Sunalta 1	SNA1	25
Tuxedo Park 1	TUX1	33
Vacant Land		0
Varsity 1	VAR1	1
Vista Heights 2	VIS2	52
Whitehorn 3	WHI3	20
Total		1,654

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, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent revenue	\$ 21,313	\$ 21,893	\$ 20,725
Government Transfers			
Restricted funds (Note 12)	1,950	3,084	3,457
Interest income	596	937	890
Investment income	671	189	215
Insurance recoveries (Note 14)	-	37	42
Miscellaneous revenue	298	371	326
	<u>24,828</u>	<u>26,511</u>	<u>25,655</u>
EXPENSES			
Administration	1,077	877	1,225
Salaries and benefits	5,429	5,748	5,010
Amortization of tangible capital assets (Note 8)	2,982	2,841	2,747
Accretion (Note 13)	189	210	203
Debt servicing	96	100	126
Maintenance	6,671	7,534	7,054
Property operations	3,049	2,728	2,567
Taxes and leases	780	749	734
Utilities	2,092	1,822	1,837
	<u>22,365</u>	<u>22,609</u>	<u>21,503</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	2,463	3,902	4,152
OTHER ITEMS			
Government contribution (Note 8)	-	2,590	-
	<u>-</u>	<u>2,590</u>	<u>-</u>
SURPLUS	\$ 2,463	\$ 6,492	\$ 4,152

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Corporate Properties Residential Portfolio (Unaudited)

The Company manages 22 properties [2022 – 22 properties] on behalf of the City of Calgary, with 214 units [2022 – 221 units], all of which are residential. In 2023, the Company returned 7 units to the City. Any operating surplus is to be returned to the City of Calgary.

Property	Property Code	Number of Units
Albert Park 8	ALB8	18
Crescent Heights 5	CRE5	34
Forest Lawn 4	FLN4	4
Glenmore Park 1	GPK1	1
Greenview 1	GRV1	2
Highwood 1	HIW1	2
Manchester 1	MAN1	1
Montgomery 2	MON2	1
Ogden 7	OGD7	2
Shepard Industrial 1	SHI1	106
South West A	SCA1	1
Southview 1	SOV1	9
ST. Andrews Heights 1	STA1	2
Thornccliffe 2	THO2	5
Thornccliffe 3	THO3	5
Thornccliffe 4	THO4	3
Thornccliffe 5	THO5	3
West Hillhurst 1	WHL1	2
West Hillhurst 2	WHL2	5
West Hillhurst 3	WHL3	2
West Hillhurst 4	WHL4	4
West Hillhurst 5	WHL5	2
Total		214

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, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent revenue	\$ 1,895	\$ 1,873	\$ 1,754
Government Transfers			
Restricted funds (Note 12)	-	-	104
Insurance recoveries (Note 14)	-	10	-
Miscellaneous revenue	10	175	11
	<u>1,905</u>	<u>2,058</u>	<u>1,869</u>
EXPENSES			
Administration	144	113	109
Salaries and benefits	703	740	626
Amortization of tangible capital assets (Note 8)	4	2	3
Maintenance	335	441	515
Property operations	208	214	149
Utilities	312	259	297
	<u>1,706</u>	<u>1,769</u>	<u>1,699</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	199	289	170
OTHER ITEMS			
Return to The City of Calgary	(199)	(289)	(170)
	<u>(199)</u>	<u>(289)</u>	<u>(170)</u>
SURPLUS	\$ -	\$ -	\$ -

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

City of Calgary Partnership Portfolio (Unaudited)

This portfolio consists of 32 properties [2022 – 32 properties] owned by the City of Calgary, with 1,181 units [2022 – 1,181 units], of which 1,176 are residential and 5 are non-residential. The Company manages these properties on behalf of the City of Calgary.

Property	Property Code	Number of Units
Beltline 3	BLN3	46
Bridgeland 3	BRD3	58
Bridgeland 4	BRD4	24
Bridgeland 5	BRD5	6
Bridgeland 6	BRD6	2
Bridgeland 7	BRD7	6
Bridgeland 8	BRD8	2
Bridlewood 1	BRI1	62
Crescent Heights 3	CRE3	40
Crescent Heights 4	CRE4	16
Downtown Core 2	DNC2	88
Downtown West End 1	DNW1	47
Forest Heights 5	FHT5	2
Forest Lawn 1 - Commercial	FLN1C	1
Garrison Green 1	GAG1	65
Highland Park 1	HPK1	16
Kingsland 1	KIN1	32
Louise Station - Commercial	DNC2C	1
Manchester 3	MAN3	132
Manchester 4	MAN4	88
Manchester 4 - Commercial	MAN4C	1
Mayland Heights 1	MAL1	65
Mount Pleasant 1	MOP1	45
Ogden 2	OGD2	60
Ogden 3	OGD3	10

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

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, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent revenue	\$ 11,756	\$ 12,701	\$ 11,820
Government Transfers			
Restricted funds (Note 12)	2,813	4,216	6,244
Interest income	-	112	2
Investment income	141	197	(33)
Insurance recoveries (Note 14)	-	54	39
Miscellaneous revenue	346	528	390
	<u>15,056</u>	<u>17,808</u>	<u>18,462</u>
EXPENSES			
Administration	768	620	598
Salaries and benefits	3,963	4,187	3,728
Amortization of tangible capital assets (Note 8)	22	13	17
Maintenance	4,890	6,313	8,954
Property operations	2,643	2,769	2,523
Utilities	1,681	1,565	1,530
	<u>13,967</u>	<u>15,467</u>	<u>17,350</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	1,089	2,341	1,112
*SURPLUS	<u>\$ 1,089</u>	<u>\$ 2,341</u>	<u>\$ 1,112</u>

*The City of Calgary Partnership portfolio's surplus for fiscal year 2023 has been contributed to reserve in accordance with the Board-approved reserve policy.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

City Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 24 properties [2022 – 24 properties] owned by the City of Calgary, with 840 units [2022 – 1,052 units], of which 837 are residential and 3 are non-residential. The Company decommissioned the Bridgeland 2 properties as of December 31, 2022, resulting in the derecognition of 212 units. The Company manages this portfolio under a four-year agreement between the City of Calgary and the Province of Alberta. The agreement provides that the Province of Alberta will provide \$4,500 of operating, and \$4,000 of capital funding per year.

Property	Property Code	Number of Units
Bowness 1	BOW1	30
Bowness 2	BOW2	6
Bowness 3	BOW3	10
Bowness 4	BOW4	14
Bridgeland 2	BRD2	0
Bridgeland 2 - Commercial	BRD2C	0
Dover 1	DOV1	32
Dover 7	DOV7	73
Forest Heights 1	FHT1	26
Glenbrook 1	GBK1	30
Glenbrook 2	GBK2	22
Hillhurst 1	HIL1	80
Hillhurst 1 - Commercial	HIL1C	1
Hillhurst 2	HIL2	64
Hillhurst 2 - Commercial	HIL2C	1
Huntington 1	HUN1	24
Huntington 2	HUN2	18
Huntington 3	HUN3	30
Montgomery 1	MON1	26
Oakridge 1	OAK1	30
Ogden 1	OGD1	50
Penbrook Meadows 1	PEN1	27
Spruce Cliff 1	SPR1	245
West Dover 2 - Commercial	DOV7C	1
Total		840

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, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent revenue	\$ 4,586	\$ 5,025	\$ 4,601
Government Transfers			
Deficit funding	4,812	4,019	4,965
Restricted funds (Note 12)	7,438	4,212	8,729
Other contributions (Note 21)	-	4,863	372
Interest income	-	293	106
Insurance recoveries (Note 14)	-	45	10
Miscellaneous revenue	98	249	151
	<u>16,934</u>	<u>18,706</u>	<u>18,934</u>
EXPENSES			
Administration	666	463	524
Salaries and benefits	3,748	3,286	3,490
Amortization of tangible capital assets (Note 8)	19	10	15
Maintenance	5,763	6,123	10,424
Property operations	2,524	1,894	2,162
Utilities	2,145	1,773	2,000
	<u>14,865</u>	<u>13,549</u>	<u>18,615</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	2,069	5,157	319
SURPLUS	<u>\$ 2,069</u>	<u>\$ 5,157</u>	<u>\$ 319</u>

*The 2023 and 2022 surpluses for the City Owned Community Housing portfolio are a result from unutilized provincial funding and interest earned on existing reserve balances and have been contributed to reserves in accordance with the Board-approved reserve policy.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Provincially Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 105 properties [2022 - 105 properties] owned by the Province of Alberta, with 2,702 units [2022 – 2,702 units], of which 2,699 are residential and 3 are non-residential. The Province subsidizes 100% of the deficits of this portfolio based on all accounts that are chargeable against the administration and operation of the portfolio in accordance with operating budgets and subject to any other agreements in writing. Of the buildings below, 53 are on City-owned land that is leased by the Province.

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

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, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent revenue	\$ 12,715	\$ 12,624	\$ 11,978
Government Transfers			
Deficit funding	12,607	12,607	12,493
Restricted funds (Note 12)	433	2,593	1,831
Insurance recoveries (Note 14)	-	287	948
Miscellaneous revenue	255	645	373
	<u>26,010</u>	<u>28,756</u>	<u>27,623</u>
EXPENSES			
Administration	1,760	1,415	1,345
Salaries and benefits	9,228	9,772	8,270
Amortization of tangible capital assets (Note 8)	50	30	38
Accretion (Note 13)		1	1
Maintenance	5,011	7,131	7,576
Property operations	3,319	3,874	3,223
Taxes and leases	1,046	1,046	1,047
Utilities	6,398	5,487	6,123
	<u>26,812</u>	<u>28,756</u>	<u>27,623</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(802)	-	-
SURPLUS	<u>\$ (802)</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, 2023

	BUDGET	2023	2022 (Restated-Note 2)
REVENUE			
Rent supplement funding	\$ 23,866	\$ 23,913	\$ 20,641
	<u>23,866</u>	<u>23,913</u>	<u>20,641</u>
EXPENSES			
Administration	431	401	356
Salaries and benefits	756	764	724
Amortization of tangible capital assets <i>(Note 8)</i>	-	1	2
Accretion <i>(Note 13)</i>	-	-	-
Rent supplement	22,679	22,747	19,560
	<u>23,866</u>	<u>23,913</u>	<u>20,641</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>