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March 15, 2024

Deloitte LLP
Suite 700, 850 2nd Street SW
Calgary AB T2P 0R8

To whom it may concern:

Subject: Financial statements of Calhome Properties Ltd. for the year ended December 31, 2023

This representation letter is provided in connection with the audit by Deloitte LLP (“Deloitte” or “you”) of the financial statements of **Calhome Properties Ltd.** (the “Organization” or “Calhome” or “we” or “us”) as of and for the year ended **December 31, 2023**, the notes to the financial statements and a summary of significant accounting policies (the “Financial Statements”) for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Organization in accordance with Public Sector Accounting Standards (“PSAS”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between the Organization and Deloitte dated September 22, 2023, for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with PSAS.
2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with PSAS, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with PSAS. The Organization has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

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587-390-1200

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to December 31, 2023, that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

3. We have determined that the Financial Statements are complete as of March 15, 2024 as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. The Financial Statements have been approved in accordance with our process to finalize financial statements.
4. We have completed our review of events after December 31, 2023 and up to the date of this letter.
5. The Financial Statements are free of material errors and omissions.

Internal Controls

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
7. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

Information provided

8. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters.
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and,
 - d. All minutes of the meetings of directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries.
9. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
10. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:

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- a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
11. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the Organization.
 12. There have been no communications with regulatory agencies concerning actual or potential noncompliance with or deficiencies in financial reporting practices. There are also no known or possible instances of non-compliance with the requirements of regulatory or governmental authorities.
 13. We have disclosed to you the identities of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.

Independence matters

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

14. Prior to the Organization having any substantive employment conversations with a former or current Deloitte engagement team member, the Organization has held discussions with Deloitte and obtained approval from the Audit Committee.
15. We have ensured that all non-audit services provided to the Organization have been pre-approved by the Audit Committee. Further, we have adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte to the Organization in accordance with applicable laws, regulations and rules that apply to the Organization, including the Audit Committee approval requirements.
16. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

Other matters

17. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.

We have provided to you final versions of the following other information:

- Statements of Operations by Portfolio

We believe the financial statements and the other information are consistent with one another, and that the other information does not contain any material misstatements.

Except where otherwise stated below, immaterial matters less than \$219,500 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the Financial Statements.



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587-390-1200

18. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
19. The Organization has identified all related parties in accordance with Section PS 2200, *Related Party Disclosures* ("PS 2200"). This assessment is based on all relevant factors, including those listed in paragraph 16 of PS 2200.
20. There are no instances of identified or suspected noncompliance with laws and regulations.
21. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.
22. All events subsequent to the date of the Financial Statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
23. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
24. We have disclosed to you, and the Organization has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

Fair value

25. With regard to the fair value measurements and disclosures of certain assets and liabilities, we believe that:
 - a. The completeness and adequacy of the disclosures related to fair values are in accordance with Public Sector Accounting Standards ("PSAS").
 - b. No events have occurred subsequent to December 31, 2023 that require adjustment to the fair value measurements and disclosures included in the Financial Statements.
 - c. They appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the Organization when relevant to the use of fair value measurements or disclosures.

Management's responsibilities

26. All transactions and events have been carried out in accordance with law, regulation or other authority.

Notes, loans and receivables

27. The Organization is responsible for determining the appropriate carrying amount of notes, loans, and accounts receivable, as well as estimates used to determine such amounts. Management believes that the carrying amounts recorded and disclosed are appropriate.



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587-390-1200

28. We have identified to you all forgivable loans and loans with concessionary terms and have appropriately reflected these instruments in the financial statements.

Employee future benefits

29. Management has appropriately identified all employee future benefit costs, assets, and obligations, as applicable, including those arising under defined benefit and defined contribution plans as well as termination arrangements.
30. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, obligations and costs for financial statement purposes are appropriate in the circumstances. Actuarial gains have been amortized to the liability and the related expense in a systematic and rational manner over the expected average remaining service life of the related employee group.
31. We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from the multi-employer plan that could result in an effective termination or reportable event for any of the plans. We have disclosed to you any occurrences that could result in the termination of any of our pension or multi-employer plans to which we contribute.
32. We are unable to determine the possibility of a withdrawal liability in a multi-employer benefit plan.

Government transfers

33. We have disclosed to you all correspondence relating to government transfers that the Organization has had with the funding body.
34. We have assessed the eligibility criteria and determined that the Organization is an eligible recipient for the government transfers received.
35. We have assessed the stipulations attached with the funding and have recognized the revenue in accordance with meeting the stipulations required.
36. All government transfers that have been recorded as deferred revenue give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements.

Tangible capital assets

37. Tangible capital assets have been recorded properly and consistently according to the standards in CPA Canada Public Sector Accounting Handbook Section PS 3150, Tangible Capital Assets.
38. Contributed capital assets have been appropriately recorded at fair value, unless fair value is not reasonably determinable, and in such case, have been recorded at an appropriate nominal value. All contributed capital assets have been appropriately disclosed.
39. Any capital assets purchased substantially below fair value have been recorded at fair value, with the difference between the amount purchased and the fair value being recorded as a contribution.
40. Capital assets which we have developed or constructed, and include contributed materials or labour, have been recognized at fair value at the date of contribution.



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587-390-1200

41. We have assessed the useful lives of tangible capital assets and have determined all tangible capital assets to have a long-term service potential to the organization and therefore do not require a write down.

Adjusting journal entries

42. We have reviewed the year-end adjusting entries and acknowledge our responsibility for their accuracy.

Communicating a threshold amount

43. We understand that the threshold used for accumulating misstatements identified during the year was \$219,500 for purposes of Appendix A. Misstatements below this amount have been considered clearly trivial.

Section 3260, Liability for contaminated sites (“Section 3260”)

44. Calhome was required to adopt Section 3260 effective for fiscal 2015 for the purposes of the PSAS management has determined the impact of this standard on the year-end financial statements, and based on management’s assessment, there is no impact on the adjustments for the December 31, 2023 PSAS financial statements of this standard.

Adoption of new or amended accounting standards

45. Calhome has adopted CPA Canada Public Sector Accounting Handbook PS 3280 Asset Retirement Obligations, as of January 1, 2023 as discussed in Note 2 of the Financial Statements. As a result, Calhome has assessed the impact of the adoption of each of this standard and appropriately recorded the required adjustments and disclosures as noted in Note 13 of the Financial Statements.

Asset retirement obligations

46. Calhome has made the accounting policy choice to apply CPA Canada Public Sector Accounting Handbook Section PS 3280, *Asset Retirement Obligations* using modified retroactive application in accordance with paragraphs PS 3280.69-71. We have applied Section PS 3280 to events and transactions from the date of origin of such items using current assumptions and discount rates. The cumulative adjustment has been reflected in the opening balance of the accumulated surplus/deficit as at December 31, 2023 and comparative periods have been restated.
47. We have identified and disclosed to you all liabilities that Calhome has a legal obligation to incur retirement costs in relation to a tangible capital asset.
48. With respect to the Calhome’s tangible capital assets, we have recognized and recorded the best estimate of the amount required to retire a tangible capital asset (or component thereof) at the financial statement date based on the information available at that date.
49. We have reviewed our estimates of the carrying amount of a liability for an asset retirement obligation at the Financial Statement date and have reflected any changes in these estimates to



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587-390-1200

the timing and amount of the original estimate of undiscounted cash flows or the discount rate, as part of the cost of the related tangible capital asset or due to the passage of time as an accretion expense.

50. We have disclosed any uncertainties affecting the measurement of a liability for an asset retirement obligation in accordance with Section PS 2130, *Measurement Uncertainty*.
51. We confirm that we are not responsible for retirement costs for tangible capital assets that are owned by either the Province of Alberta or The City of Calgary.

Work of Management's experts

We agree with the work of Management's experts in evaluating the asset retirement costs and liability and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to Management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

Use of Deferred Capital Contributions

52. Management has the authority to use funds from the Deferred Capital Contributions balance (Note 11 of the Financial Statements) without formal approval by the Board of Directors.

Agreements with the Province of Alberta

53. Calhome and the Province of Alberta ("Province") entered into an interim social housing agreement ("Interim Agreement") dated October 1, 2001. The Interim Agreement set out, among other things, the terms and conditions under which Calhome would manage and administer certain lands and housing on behalf of the Province.

The Interim Agreement was to expire on December 31, 2001 as the intention of the parties, as set out in the Interim Agreement, was for Calhome and the Province to enter into a final agreement ("Final Agreement") prior to the expiry date. The Interim Agreement was extended on a number of occasions while a Final Agreement was being negotiated. In 2010, the parties had not entered into a Final Agreement and no further extension of the Interim Agreement was executed. Since that time the parties have continued to operate under the same general principles as set out in the Interim Agreement. A new agreement was signed effective January 1, 2021 with a duration of four years.

Assets

54. The Organization has recognized all assets, which do not fall within the scope of other standards, only when the requirements in CPA Canada Public Sector Accounting Handbook Section PS 3210, Assets ("Section PS 3210") have been met. For those assets which do not meet the recognition criteria in Section PS 3210, the Organization has appropriately disclosed details of such unrecognized assets in accordance with Section PS 3210.



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587-390-1200

Contingent assets

55. The Organization has identified all contingent assets in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3320, Contingent Assets and, when the occurrence of the confirming future event is considered likely, appropriately disclosed these items in the financial statements.

Contractual rights

56. The Organization has identified and disclosed all contractual rights that will result in both an asset and revenue in the future, once the terms of the contract or agreement are met, in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3380, Contractual Rights.

Inter-entity transactions

57. The Organization has recognized all transactions involving the transfer of assets or liabilities between public sector entities in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3420, Inter-entity transactions ("PS 3420").
58. The Organization, when it acts as a provider, reports all inter-entity revenues and expenses on a gross basis and, when it acts as a recipient, reports all expenses on a gross basis.
59. The Organization has recorded all inter-entity transactions properly at exchange or carrying amount in accordance with the criteria in Section PS 3420.14-.22.
60. The Organization has disclosed all inter-entity transactions in the notes to the Financial Statements whether or not such transactions are recognized in the financial statements, in accordance with CPA Canada Public Sector Accounting Handbook Section PS 2200, Related Party Disclosures.

Restructuring transactions

61. The Organization has identified all restructuring transactions, as defined in CPA Canada Public Sector Accounting Handbook Section PS 3430, Restructuring transactions ("Section PS 3430").

Accumulated Surplus

62. Reserves and surplus accounts are correctly recorded and all transactions comply with the purposes approved according to relevant legislation and agreements with relevant government authorities. All transactions within the reserves balances in Note 11 of the financial statements are in accordance with Board of Directors' approved reserve policy.



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Tenant files

63. We have analyzed all annual rent reviews which occurred from January 2023 to December 2023 and have not found any discrepancies in tenant files.

Yours truly,

Calhome Properties Ltd.

A handwritten signature in black ink that reads "S. Woodgate".

Sarah Woodgate
President and CEO

A handwritten signature in black ink that reads "Jana Tchinkova".

Jana Tchinkova
Corporate Finance & Risk Officer