

Financial Statements

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

December 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Directors of Calhome Properties Ltd.,

We have audited the accompanying financial statements of Calhome Properties Ltd., which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calhome Properties Ltd. as at December 31, 2017, 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.

(To be signed Deloitte LLP)

Chartered Professional Accountants
March 23, 2018
Calgary, Canada

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF FINANCIAL POSITION
(Expressed in Thousands of Dollars)

As at December 31, 2017

	2017	2016
Financial Assets		
Cash (<i>Note 3</i>)	\$ 34,183	\$ 28,896
Receivables		
Rent and others	680	634
Government	3,387	2,353
	38,250	31,883
Liabilities		
Accounts payable and accrued liabilities	8,804	6,188
Unearned tenant rent revenue	1,647	1,670
Deferred funding (<i>Note 3</i>)	10,405	8,480
Payable to government	899	1,662
Rent supplement advance (<i>Note 4</i>)	4,255	4,255
Tenants' security deposits	1,067	1,089
Mortgage payable (<i>Note 5</i>)	12,601	16,476
Employee benefit obligation (<i>Note 6</i>)	2,041	1,813
	41,719	41,633
NET DEBT	(3,469)	(9,750)
Non-Financial Assets		
Tangible capital assets (<i>Note 7</i>)	99,678	102,181
Prepaid expenses	133	121
	99,811	102,302
ACCUMULATED SURPLUS (<i>Note 10</i>)	\$ 96,342	\$ 92,552

See accompanying notes

On behalf of the Board

Chairman

President

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF OPERATIONS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Rent revenue	\$ 50,654	\$ 47,951	\$ 48,040
Government transfers			
Shared cost agreements	13,806	13,893	13,938
Restricted funds (Note 11)	9,225	6,439	5,589
Debt interest rebate	311	237	239
Rent supplement funding	19,200	19,435	18,817
Interest income	344	456	318
Insurance recoveries (Note 12)	-	423	893
Miscellaneous	1,262	1,393	1,190
	<u>94,802</u>	<u>90,227</u>	<u>89,024</u>
EXPENSES			
Administration	3,261	3,052	2,662
Salaries and benefits	20,381	18,781	17,115
Amortization of tangible capital assets	3,453	3,030	3,086
Debt servicing	469	454	518
Maintenance	20,024	19,650	16,022
Property operations	9,773	8,406	8,752
Rent supplement	18,171	18,603	18,250
Taxes and leases	3,444	1,975	3,278
Utilities	11,500	10,689	9,500
Insurance (Note 12)	-	293	402
Restricted expenses	-	249	153
	<u>90,476</u>	<u>85,182</u>	<u>79,738</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	4,326	5,045	9,286
OTHER ITEMS			
Return to the City of Calgary	(242)	(339)	(2,054)
City of Calgary surplus retained (Note 11)	(410)	(570)	-
Loss on asset disposal	-	(346)	(55)
	<u>(652)</u>	<u>(1,255)</u>	<u>(2,109)</u>
SURPLUS	\$ 3,674	\$ 3,790	\$ 7,177

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENT OF CASH FLOWS
(Expressed in Thousands of Dollars)

For the year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
NET INFLOW/(OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Surplus	\$ 3,790	\$ 7,177
Non-cash items:		
Amortization of tangible capital assets	3,030	3,086
Loss on asset disposal	346	55
Non-cash restricted revenue	-	(3,850)
Change in non-cash working capital (Note 14)	2,869	7,519
	<u>10,035</u>	<u>13,987</u>
CAPITAL ACTIVITIES		
Addition of tangible capital assets	(918)	(12,998)
Proceeds on disposal of tangible capital assets	45	-
Proceeds on disposal of assets held for sale	-	750
	<u>(873)</u>	<u>(12,248)</u>
FINANCING AND INVESTING ACTIVITIES		
Issuance of long term debt	-	5,784
Repayment of long term debt	(3,875)	(4,514)
	<u>(3,875)</u>	<u>1,270</u>
NET INCREASE IN CASH DURING THE YEAR	5,287	3,009
CASH, BEGINNING OF YEAR	28,896	25,887
CASH, END OF YEAR (Note 3)	<u>\$ 34,183</u>	<u>\$ 28,896</u>

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, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
ANNUAL SURPLUS	\$ 3,674	\$ 3,790	\$ 7,177
TANGIBLE CAPITAL ASSETS			
Additions	(6,803)	(918)	(12,998)
Loss on asset disposal	-	346	55
Proceeds on disposal of tangible capital assets	-	45	-
Amortization of tangible capital assets	3,453	3,030	3,086
Non-cash restricted revenue	-	-	(3,850)
	<u>(3,350)</u>	<u>2,503</u>	<u>(13,707)</u>
OTHERS			
Decrease in prepaid expenses	-	(12)	(8)
	<u>-</u>	<u>(12)</u>	<u>(8)</u>
INCREASE/(DECREASE) IN NET DEBT	324	6,281	(6,538)
NET DEBT, BEGINNING BALANCE	2,663	9,750	3,212
NET DEBT, ENDING BALANCE	<u>\$ 2,339</u>	<u>\$ 3,469</u>	<u>\$ 9,750</u>

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

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 592 units [2016 – 901] 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 CMHC. The net surplus and/or losses are the responsibility of the Company.

During 2017, the Federal Fixed Subsidy portfolio (previously subsidized by CMHC), merged with the Provincial Fixed Subsidy portfolio as a result of a reorganization where the subsidy for both portfolios is received by the Province. The 2016 figures were reclassified to reflect this transfer in order to provide an appropriate basis for comparative purposes. In addition, due to the expiry of fixed subsidy agreements during 2017, 311 units were moved from this portfolio to the Calhome Owned portfolio.

CHC Public Non-Profit Portfolio

This portfolio consists of 207 units [2016 – 210] 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.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

Calhome Owned Portfolio

This portfolio is comprised of 1,138 units [2016 – 824] owned by the Company with no direct subsidy from any governmental agency.

Corporate Properties Residential Units Portfolio

This portfolio consists of 246 units [2016 – 354] 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.

City of Calgary Partnership Portfolio

This portfolio consists of 1,128 units [2016 – 1,085] 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.

City Owned Community Housing Portfolio

This portfolio consists of 1,059 units [2016 – 1,048] 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 [2016 – 2,721] 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.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

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 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 grants until used for the purpose specified.

Non-Financial Assets

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

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**[i] Tangible Capital Assets**

Tangible capital assets are recorded at historical cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land	-
Buildings	50-75
Building Betterments	5-75
Leasehold Improvements	5-10
Systems	5
Furniture	20
Vehicles	10

Assets under construction are not amortized until the asset is available for productive use.

[ii] Contributions of Tangible Capital Assets

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

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

Restricted Replacement Reserve

The Replacement Reserve is funded by a charge against accumulated surplus. The Province, The City and CHC determine an annual provision for the Replacement Reserve for certain properties. Disposition of the reserve, other than for replacement costs, is subject to the approval or direction of the Province, The City and CHC administration (Notes 3 and 10).

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

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.

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.

Future Accounting Pronouncements

[i] Standards effective beginning on or after April 1, 2017

Assets

Assets ("PS 3210") provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Transactions

Related Party Transactions ("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.

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.

[ii] Standards effective beginning on or after April 1, 2018

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.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'**NOTES TO FINANCIAL STATEMENTS**
(Expressed in thousands of Dollars)

For the year ended December 31, 2017

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:

	2017 \$	2016 \$
Restricted		
Tenants' security deposits	1,067	1,089
Rent supplement fund advance (Note 4)	4,255	4,255
Restricted replacement reserve	6,583	6,279
Deferred capital contributions (Note 10)	5,409	5,409
Restricted funding	10,405	8,480
	27,719	25,512
Unrestricted	6,464	3,384
	34,183	28,896

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, 2017

5. MORTGAGES PAYABLE

Mortgages in the amount of \$2,684 [2016 - \$3,615] 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 [2016 – between 1.46% and 6.45% per annum]. The effective interest rate of the fixed subsidy mortgages to the Company after subsidy payments is averaged 2% per annum over the mortgage term to renewal.

The remaining mortgages are in the amount of \$9,917 [2016 - \$12,861]. The interest rate of these mortgages varies from 1.04% to 4.52% per annum [2016 – between 0.94% and 4.52% per annum].

The mortgages payable schedule is as follows:

Year	\$
2018	2,543
2019	1,388
2020	1,034
2021	1,023
Thereafter	6,613
	<u>12,601</u>

Related land and buildings have been pledged as collateral for mortgages payable. The net book value of land and buildings pledged amounts to \$69,552 [2016 - \$75,166] as at December 31, 2017.

NOTES TO FINANCIAL STATEMENTS (Expressed in thousands of Dollars)

For the year ended December 31, 2017

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. As of December 31, 2017, the balance of the employee benefit obligation was \$2,041 [2016 - \$1,813].

The City employees are members of the Local Authorities Pension Plan ("LAPP"). LAPP is a multi-employer benefit plan. This plan is governed by the Public Sector Pension Plans Act. The LAPP reported a deficiency (extrapolation results of the actuarial valuation) of \$0.64 billion in 2016 [2015 - \$0.92 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:

	<u>2017</u>
Members' Rate up to YMPE	10.39%
Members' Rate over YMPE	14.84%
Employers' Rate up to YMPE	11.39%
Employers' Rate over YMPE	15.84%

The current service contributions by the Company, as reflected in 'Administration' and 'Property Operations' to the LAPP, were \$1,956 [2016 - \$1,766]. The current service contributions by the employees allocated to the LAPP were \$1,937 [2016 - \$1,748].

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2017

7. TANGIBLE CAPITAL ASSETS

Cost	January 1, 2017 Opening Balance	Additions	Disposals / Transfers	December 31, 2017 Closing Balance
	\$	\$	\$	\$
Land	27,957	-	-	27,957
Buildings	96,721	-	-	96,721
Building Betterments	30,270	1,517	(352)	31,435
Systems	2,273	-	-	2,273
Leasehold Improvements	854	-	(224)	630
Vehicles	280	150	(40)	390
Furniture	347	-	-	347
Work in Progress	1,477	918	(1,667)	728
	160,179	2,585	(2,283)	160,481

Accumulated Amortization	January 1, 2017 Opening Balance	Additions	Disposals / Transfers	December 31, 2017 Closing Balance
	\$	\$	\$	\$
Buildings	49,273	1,887	-	51,160
Building Betterments	5,927	1,004	(100)	6,831
Systems	2,194	31	-	2,225
Leasehold Improvements	288	66	(115)	239
Vehicles	50	38	(10)	78
Furniture	266	4	-	270
	57,998	3,030	(225)	60,803
Net Book Value	102,181	(445)	(2,058)	99,678

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, 2017 and 2016, one share was issued.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

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 grants, 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, 2017

10. ACCUMULATED SURPLUS

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

	2017	2016
	\$	\$
Accumulated deficit	(3,263)	(5,377)
Restricted replacement reserve	6,583	6,279
Operating Reserve	536	536
Deferred capital contribution	5,409	5,409
Equity in tangible capital assets *	87,077	85,705
	96,342	92,552

	2017	2016
	\$	\$
* Equity in Tangible Capital Assets		
Tangible Capital Assets (<i>Note 7</i>)	160,481	160,179
Accumulated Amortization (<i>Note 7</i>)	(60,803)	(57,998)
Long-term debt (<i>Note 5</i>)	(12,601)	(16,476)
	87,077	85,705

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.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

11. RESTRICTED FUNDS AND RESTRICTED EXPENSES

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 2017, the Company utilized \$6,439 [2016 - \$5,589] of restricted grants and recorded the related restricted revenue.

The restricted grants provided by the Province have been restricted for capital spending, non-recurring maintenance, carbon monoxide detector installation, energy audits, suite renovations, feasibility study for two new projects, and the woman fleeing violence program.

The grants received from the City of Calgary have been restricted for performing suite renovations, building condition assessments, non-recurring maintenance, carbon monoxide detector installation, tree maintenance and new system implementation.

In 2017, The Company received approval from the City to retain \$570 of the City Partnership surplus in order to address tree maintenance, suite renovations and a fire pump replacement in that portfolio in 2018.

12. INSURANCE RECOVERIES AND INSURANCE EXPENSES

Insurance recoveries represent insurance claims made 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 the 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, 2017

13. LEASE COMMITMENTS

The Company has commitments for its leased premises and land leases. The approximate future minimum annual lease payments for the next five years are as follows:

Year	Land \$	Office Space \$	Total \$
2018	98	526	624
2019	98	497	595
2020	98	489	587
2021	98	489	587
2022	98	489	587
	490	2,490	2,980

In 2017, the Company entered into a new lease agreement for corporate office space.

14. CHANGES IN NON-CASH WORKING CAPITAL

	2017 \$	2016 \$
Receivables	(1,080)	375
Accounts payable and accrued liabilities	2,616	(681)
Unearned revenue	(23)	(504)
Deferred funding	1,925	7,759
Payable to senior government	(763)	391
Tenants' security deposits	(22)	97
Employee benefit obligation	228	90
Prepaid expenses	(12)	(8)
Increase / (decrease) in non-cash working capital	2,869	7,519

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2017

15. 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 the following:

1. Nine properties were transferred from the Federal Fixed Subsidy portfolio to the Calhome Owned portfolio.
2. Federal Fixed Subsidy portfolio and Provincial Fixed Subsidy portfolio were merged into the Provincial Fixed Subsidy portfolio.
3. The salaries and benefits line item on the Statement of Operations is new in 2017. Salaries and benefits were previously recorded partly under administration, and partly under property operations.
4. Administration and salaries and benefits costs for the rent supplement program have been reclassified under the administration and salaries and benefits lines, previously classified under the rent supplement line.
5. The Company performed a unit reconciliation in 2017 to refine and properly classify the number of physical units in all portfolios. This project will continue in 2018 and future years with the purpose of further solidifying commercial unit counts and reconciling to land titles.

16. APPROVAL OF FINANCIAL STATEMENTS

The Board and Management have approved these financial statements.

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

STATEMENTS OF OPERATIONS BY PORTFOLIOS:

Provincial Fixed Subsidy Portfolio

Public 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 592 units [2016 – 901 units], of which 590 are residential and 2 are non-residential, in 11 properties [2016 – 20 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.

During 2017, the Federal Fixed Subsidy portfolio, which comprises 493 units [2016 – 803], merged with the Provincial Fixed Subsidy portfolio. The 2016 figures were restated to reflect this transfer in order to provide an appropriate basis for comparative purposes. In addition, due to the expiry of fixed subsidy agreements during 2017, 311 units were moved from this portfolio to the Calhome Owned portfolio.

Property	Property Code	Number of Units
Abbeydale 5	AB5	60
Connaught 2	CN2	48
Cedarbrae 5	CB5	14
Crossroad 1	CR1	100
Fonda Crescent	FC1	2
Huntington Hill 6	HH6	75
Manchester 2	MC2	117
Penbrooke 3	PB3	77
North Haven 3	NH3	40
Sunalta 1	SN1	26
Tuxedo 1	TX1	33
Total		592

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Rent revenues	\$ 6,758	\$ 6,099	\$ 6,289
Government transfers			
Restricted funds	381	459	-
Debt interest rebate	109	35	116
Insurance recoveries	-	119	47
Miscellaneous	77	99	92
	<u>7,325</u>	<u>6,811</u>	<u>6,544</u>
EXPENSES			
Administration	308	222	266
Salaries and benefits	1,449	1,380	1,076
Amortization of tangible capital assets	860	887	929
Debt servicing	139	129	186
Maintenance	2,182	1,731	1,489
Property operations	871	767	837
Taxes and leases	741	304	691
Utilities	629	623	596
Insurance	-	29	129
	<u>7,179</u>	<u>6,072</u>	<u>6,199</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	146	739	345
OTHER ITEMS			
Loss on asset disposal	-	(18)	-
SURPLUS	<u>\$ 146</u>	<u>\$ 721</u>	<u>\$ 345</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Public Non-Profit Portfolio (Unaudited)

This portfolio consists of 207 units [2016 – 210 units], all of which are residential, in 10 properties [2016 – 10 properties] owned by the Company, as listed below. The Provincial government subsidizes any operating deficits with the exception of the Lincoln Park Fanning Centre. Lincoln Park Fanning Centre receives a subsidy equivalent to the amount required to reduce debt financing costs to 2% per annum. The Company bears the responsibility of financial loss or surplus on the Lincoln Park Fanning Centre property.

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

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Rent revenues	\$ 864	\$ 857	\$ 869
Government transfers			
Shared cost agreements	1,817	1,473	1,458
Restricted funds	7	25	117
Interest income	-	5	5
Insurance recoveries	-	9	62
Miscellaneous	19	18	18
	<u>2,707</u>	<u>2,387</u>	<u>2,529</u>
EXPENSES			
Administration	138	99	62
Salaries and benefits	523	509	543
Amortization of tangible capital assets	374	348	356
Debt servicing	65	63	70
Maintenance	563	649	524
Property operations	374	310	314
Taxes and leases	231	96	231
Utilities	348	309	295
Insurance	-	8	3
	<u>2,616</u>	<u>2,391</u>	<u>2,398</u>
EXCESS / (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	91	(4)	131
OTHER ITEMS			
Loss on asset disposal	-	(6)	-
	<u>-</u>	<u>(6)</u>	<u>-</u>
SURPLUS	<u>\$ 91</u>	<u>\$ (10)</u>	<u>\$ 131</u>

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Calhome Owned Portfolio (Unaudited)

This portfolio is comprised of 1,138 units [2016 – 824 units], of which 1,134 are residential and 4 are non-residential, in 29 properties [2016–20 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.

Property	Property Code	Number of Units
Bankview 1	BV1	26
Beddington 4	BD4	66
Cedarbrae 4	CB4	51
CB3-Cedarbrae	CBC	9
CB3-Beddington	BDC	15
Cedar Crescent	CC2	2
East Village 1	EV1	166
Erinwoods 1	EW1	58
Erinwoods 4	EW4	72
Falconridge 3	FR3	20
Falconridge 4	FR4	28
Falconridge 5	FR5	14
Lincoln Park 2	LP2	38
Lincoln Park 3	LP3	25
Manchester Commercial	MCC	1
McKenzie 1	MK2	57
McLaurin Village	MV1	1
Millrise 1	MR1	53
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
Queensland 1	QL1	56
Queensland 2	QL2	20
Ranchlands 7	RL7	55
Silver Springs 1	SS1	31
Whitehorn 3	WH3	20
Total		1,138

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, 2017

	BUDGET	2017	2016
REVENUE			
Rent revenues	\$ 13,229	\$ 12,871	\$ 11,929
Government transfers			
Restricted funds	4,420	1,629	5,404
Debt interest rebate	202	202	123
Interest income	344	451	313
Insurance recoveries	-	83	148
Miscellaneous	425	291	329
	<u>18,620</u>	<u>15,527</u>	<u>18,246</u>
EXPENSES			
Administration	686	606	191
Salaries and benefits	3,291	2,793	2,422
Amortization of tangible capital assets	1,999	1,696	1,643
Debt servicing	265	262	262
Maintenance	4,474	3,897	3,257
Property operations	1,785	1,325	1,304
Taxes and leases	1,426	529	1,310
Utilities	1,256	1,054	868
Insurance	-	79	80
Restricted expenses	-	249	153
	<u>15,182</u>	<u>12,490</u>	<u>11,490</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	3,438	3,037	6,756
OTHER ITEMS			
Loss on asset disposal	-	(171)	(55)
	<u>-</u>	<u>(171)</u>	<u>(55)</u>
SURPLUS	\$ 3,438	\$ 2,866	\$ 6,701

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

Corporate Properties Residential Portfolio (Unaudited)

The Company manages 246 units [2016 – 354 units], all of which are residential, in 9 properties [2016 – 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
Midfield Mobile Homes	MFM	7
North East A	NEA	21
North West A	NWA	19
South East A	SEA	52
South East B	SEB	2
South West A	SWA	2
South West B	SWB	3
South Hill Mobile Homes	SHM	106
Total		246

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, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Rent revenues	\$ 2,272	\$ 2,225	\$ 2,764
Government transfers			
Restricted funds	-	11	-
Insurance recoveries	-	12	-
Miscellaneous	11	18	11
	<u>2,283</u>	<u>2,266</u>	<u>2,775</u>
EXPENSES			
Administration	151	120	341
Salaries and benefits	960	774	450
Amortization of tangible capital assets	6	3	11
Maintenance	465	473	466
Property operations	303	248	382
Utilities	332	401	281
Insurance	-	-	10
	<u>2,217</u>	<u>2,019</u>	<u>1,941</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	66	247	834
OTHER ITEMS			
Return to the City of Calgary	(66)	(239)	(834)
Loss on asset disposal	-	(8)	-
	<u>(66)</u>	<u>(247)</u>	<u>(834)</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 1,128 units [2016 – 1,085 units], of which 1,123 are residential and 5 are non-residential, in 26 properties [2016 – 24 properties] owned by the City of Calgary, as listed below. The Company manages these properties on behalf of the City of Calgary. In 2017, three new buildings 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
Total		1,128

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, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Rent revenues	\$ 9,602	\$ 8,680	\$ 8,651
Government transfers			
Restricted funds	-	44	3
Insurance recoveries	-	60	567
Miscellaneous	297	390	280
	<u>9,899</u>	<u>9,174</u>	<u>9,501</u>
EXPENSES			
Administration	381	377	108
Salaries and benefits	3,155	2,768	2,749
Amortization of tangible capital assets	49	22	33
Maintenance	2,346	1,993	2,313
Property operations	2,377	1,745	1,690
Utilities	1,005	985	858
Insurance	-	49	120
	<u>9,313</u>	<u>7,939</u>	<u>7,871</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	586	1,235	1,630
OTHER ITEMS			
Transfer to City Owned Community Housing	-	(321)	(410)
Return to the City of Calgary	(176)	(100)	(1,220)
City of Calgary Surplus Retained	(410)	(570)	-
Loss on asset disposal	-	(31)	-
	<u>(586)</u>	<u>(1,022)</u>	<u>(1,630)</u>
SURPLUS	\$ -	\$ 213	\$ -

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

City Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 1,059 units [2016 – 1,048 units], of which 1,050 are residential and 9 are non-residential, in 20 properties [2016 – 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, 2017

	BUDGET	2017	2016
REVENUE			
Rent revenues	\$ 5,034	\$ 4,775	\$ 4,940
Government transfers			
Shared cost agreements	3,334	3,669	3,383
Restricted funds	4,046	3,874	65
Insurance recoveries	-	119	69
Miscellaneous	149	181	161
	<u>12,563</u>	<u>12,618</u>	<u>8,618</u>
EXPENSES			
Administration	369	395	310
Salaries and benefits	2,882	2,843	2,560
Amortization of tangible capital assets	46	21	32
Maintenance	5,923	6,147	2,837
Property operations	1,277	1,513	1,592
Utilities	2,066	1,861	1,644
Insurance	-	128	53
	<u>12,563</u>	<u>12,908</u>	<u>9,028</u>
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	-	(290)	(410)
OTHER ITEMS			
Transfer from City Partnership	-	321	410
Loss on asset disposal	-	(31)	-
	<u>-</u>	<u>290</u>	<u>410</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 [2016 – 2,721 units], all of which are residential, in 100 properties [2016 - 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'

Property	Property Code	Number of Units
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'

Property	Property Code	Number of Units
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, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Rent revenues	\$ 12,895	\$ 12,444	\$ 12,598
Government transfers			
Shared cost agreements	8,655	8,751	8,383
Restricted funds	371	397	-
Insurance recoveries	-	21	-
Miscellaneous	284	396	299
	<u>22,205</u>	<u>22,009</u>	<u>21,280</u>
EXPENSES			
Administration	958	1,027	804
Salaries and benefits	7,360	7,088	6,616
Amortization of tangible capital assets	118	54	82
Maintenance	4,072	4,759	5,132
Property operations	2,787	2,498	2,635
Taxes and leases	1,046	1,046	1,046
Utilities	5,864	5,456	4,958
Insurance	-	-	7
	<u>22,205</u>	<u>21,928</u>	<u>21,280</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	-	81	-
OTHER ITEMS			
Loss on asset disposal	-	(81)	-
	<u>-</u>	<u>(81)</u>	<u>-</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, 2017

	<u>BUDGET</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Government transfers			
Shared cost agreements	\$ -	\$ -	\$ 714
Rent supplement funding	19,200	19,435	18,817
	<u>19,200</u>	<u>19,435</u>	<u>19,531</u>
EXPENSES			
Administration	268	206	582
Salaries and benefits	761	626	699
Rent supplement payments	18,171	18,603	18,250
	<u>19,200</u>	<u>19,435</u>	<u>19,531</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>