

Financial Statements

Calhome Properties Ltd.

Operating as 'Calgary Housing Company'

December 31, 2022

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, 2022 and the statements of operations, remeasurement gains and losses, change in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calhome as at December 31, 2022 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.

Emphasis of Matter

We draw attention to note 21 to the financial statements which describes that the financial statements for the comparative period have been restated. Our opinion is not modified in respect of this matter.

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 17, 2023

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

STATEMENT OF FINANCIAL POSITION
 (Expressed in Thousands of Dollars)

As at December 31, 2022

	2022	2021 (Restated-Note 21)
Financial Assets		
Cash (Note 3)	\$ 43,692	\$ 41,855
Receivables		
Rent and others	1,253	1,355
Government	7,015	9,781
Investments (Note 4)	16,083	17,899
	<u>68,043</u>	<u>70,890</u>
Liabilities		
Accounts payable and accrued liabilities	12,652	18,762
Unearned tenant rent revenue	2,343	2,475
Deferred funding (Note 12)	9,571	6,983
Payable to government	1,176	1,642
Rent supplement advance (Note 5)	5,679	6,063
Tenants' security deposits (Note 3)	1,161	1,109
Mortgages payable (Note 6)	5,254	6,037
Employee benefit obligation (Note 7)	2,772	2,334
	<u>40,608</u>	<u>45,405</u>
NET ASSETS	27,435	25,485
Non-Financial Assets		
Tangible capital assets (Note 8)	96,229	96,899
Prepaid expenses	3,129	620
	<u>99,358</u>	<u>97,519</u>
Accumulated remeasurement (losses) gains	(1,740)	76
Accumulated surplus (Note 11)	128,533	122,928
	<u>\$ 126,793</u>	<u>\$ 123,004</u>

Contractual rights (Note 15)
 Contractual obligations (Note 16)
 Contingencies (Note 19)

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

On behalf of the Board


 Chair


 President

Calhome Properties Ltd.
Operating as 'Calgary Housing Company'

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

For the year ended December 31, 2022

	<u>BUDGET</u>	<u>2022</u>	2021 (Restated-Note 21)
REVENUE			
Rent revenue	\$ 50,856	\$ 52,079	\$ 51,046
Government Transfers			
Deficit funding	20,279	18,851	17,409
Restricted funds (Note 12)	20,636	21,396	25,004
Rent supplement funding	22,561	20,641	16,349
Interest income	392	1,007	286
Investment income	366	182	488
Insurance recoveries (Note 13)	1,367	1,064	41
Miscellaneous	1,051	1,275	952
	<u>117,508</u>	<u>116,495</u>	<u>111,575</u>
EXPENSES			
Administration	3,877	4,259	3,349
Salaries and benefits	23,059	22,440	20,088
Amortization of tangible capital assets (Note 8)	3,328	3,168	3,009
Debt servicing	156	162	224
Maintenance	32,617	35,747	29,648
Property operations	11,525	11,047	11,335
Rent supplement	21,491	19,560	15,530
Taxes and leases	1,904	1,865	1,904
Utilities	12,315	12,153	11,202
Insurance (Note 13)	-	-	3
	<u>110,272</u>	<u>110,401</u>	<u>96,292</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	7,236	6,094	15,283
OTHER ITEMS			
Return to The City of Calgary	(263)	(170)	(124)
City of Calgary surplus retained	(2,090)	-	-
Loss on asset disposal	-	-	(2,447)
	<u>(2,353)</u>	<u>(170)</u>	<u>(2,571)</u>
SURPLUS	\$ 4,883	\$ 5,924	\$ 12,712

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

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

For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	\$ 76	\$ -
UNREALIZED (LOSSES) GAINS ATTRIBUTABLE TO:		
Portfolio investments designated at fair value	<u>(1,816)</u>	<u>76</u>
	<u>(1,816)</u>	<u>76</u>
ACCUMULATED REMEASUREMENT (LOSSES) GAINS, END OF YEAR	<u>\$ (1,740)</u>	<u>\$ 76</u>

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

STATEMENT OF CASH FLOWS
 (Expressed in Thousands of Dollars)

For the year ended December 31, 2022

	2022	2021 (Restated-Note 21)
NET INFLOW (OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Surplus	\$ 5,924	\$ 12,712
Non-cash items:		
Amortization of tangible capital assets <i>(Note 8)</i>	3,168	3,009
Loss on disposal of tangible capital assets	-	2,457
Change in non-cash working capital <i>(Note 18)</i>	(3,974)	4,244
	5,118	22,422
CAPITAL ACTIVITIES		
Addition of tangible capital assets <i>(Note 8)</i>	(2,498)	(7,271)
Proceeds on disposal of tangible capital assets	-	9
	(2,498)	(7,262)
FINANCING AND INVESTING ACTIVITIES		
Repayment of long term debt	(783)	(1,454)
Purchase of investments	-	(17,823)
	(783)	(19,277)
NET INCREASE (DECREASE) IN CASH DURING THE YEAR	1,837	(4,117)
CASH, BEGINNING OF YEAR	41,855	45,972
CASH, END OF YEAR <i>(Note 3)</i>	\$ 43,692	\$ 41,855

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, 2022

	Budget	2022	2021 (Restated-Note 21)
ANNUAL SURPLUS	\$ 4,883	\$ 5,924	\$ 12,712
TANGIBLE CAPITAL ASSETS			
Additions of tangible capital assets <i>(Note 8)</i>	(6,348)	(2,498)	(7,271)
Loss on disposal of tangible capital assets	-	-	2,457
Net proceeds on disposal of tangible capital assets	-	-	9
Amortization of tangible capital assets <i>(Note 8)</i>	3,328	3,168	3,009
Transfer from deferred capital contributions <i>(Note 11)</i>	404	-	-
	<u>(2,616)</u>	<u>670</u>	<u>(1,796)</u>
OTHERS			
Transfer to payable to senior government	-	(319)	-
(Increase) Decrease in prepaid expenses	-	(2,509)	1,154
Accumulated remeasurement (losses) gains	-	(1,816)	76
	<u>-</u>	<u>(4,644)</u>	<u>1,230</u>
CHANGE IN NET ASSETS	2,267	1,950	12,146
NET ASSETS, BEGINNING BALANCE	<u>25,485</u>	<u>25,485</u>	<u>13,339</u>
NET ASSETS, ENDING BALANCE	<u>\$ 27,752</u>	<u>\$ 27,435</u>	<u>\$ 25,485</u>

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

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

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 [2021 – 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 [2021 – 1,654] owned by the Company with no direct subsidy from any governmental agency.

Corporate Properties Residential Portfolio

This portfolio consists of 221 units [2021 – 222] 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, 2022

1. NATURE OF THE BUSINESS (continued)

City of Calgary Partnership Portfolio

This portfolio consists of 1,181 units [2021 – 1,181] owned by the City. The Company manages a variety of affordable housing units on behalf of the City. The Company is authorized to maintain a replacement reserve for this portfolio. This portfolio receives no subsidy. Historically, the portfolio has returned surpluses to the City and deficits have been funded by the City.

In 2018, the Company received Council approval to retain future operating surpluses starting in 2019. These surpluses will be utilized for operating and capital needs in the City of Calgary Partnership and City-owned Community Housing portfolios.

City Owned Community Housing Portfolio

This portfolio consists of 1,052 units [2021 – 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, 2022, CHC received \$4,500 of operating funding and \$8,000 of capital funding, of which \$4,000 is a prepayment for fiscal 2023, and \$4,000 is a prepayment for fiscal 2024.

Provincially Owned Community Housing Portfolio

This portfolio consists of 2,702 units [2021 – 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.

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, 2022

2. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

Revenue

Rents charged to 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.

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.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

[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.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2022

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, and the Company administration. [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, and the Company administration, who can also determine an annual provision of the capital reserve for certain properties. [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].

General and Administration

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

Inter-entity Transactions

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

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Pronouncements

Asset Retirement Obligation

Asset Retirement Obligation ("PS 3280") provides guidance relating to obligations to retire tangible capital assets of a Public Sector entity that are predictable and unavoidable. This standard is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

Revenue

Revenue ("PS 3400") provides guidance on the recognition of revenue that distinguishes between revenue that arises from transactions that include performance obligations and from transactions that do not have performance obligations. This standard is effective for fiscal years beginning on or after April 1, 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 these new standards will have on the financial statements.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

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:

	2022		2021
			(Restated-Note 21)
Restricted			
Tenants' security deposits	\$ 1,161	\$	1,109
Rent supplement fund advance (Note 5)	5,679		6,063
Restricted funding from senior government	914		808
Restricted replacement reserve	-		5,887
Restricted city owned community housing reserve (Note 11)	-		4,363
Restricted operating reserve	4,061		2,408
Restricted capital reserve	17,138		-
Provincial emergency fund	802		802
Deferred capital contributions (Note 11)	163		801
Deferred funding (Note 12)	9,571		6,983
	39,489		29,224
Unrestricted	4,203		12,631
	\$ 43,692	\$	41,855

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

4. PORTFOLIO INVESTMENTS

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

	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
	\$ 2,737	\$ 13,346	\$ -	\$ 16,083

	2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents held for investing purpose	\$ 501	\$ -	\$ -	\$ 501
Government of Canada bonds	-	3,762	-	3,762
Other Canadian government bonds	-	2,749	-	2,749
Canadian corporate bonds	-	4,970	-	4,970
Fixed Income Pooled Funds	-	902	-	902
Global Equity	-	5,015	-	5,015
	\$ 501	\$ 17,397	\$ -	\$ 17,899

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 \$16,083 (2021 – \$17,899). The average yield earned from investment during the year was 1.13% (2021 – 2.73%). 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, 2022

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 \$182 (2021 - \$478). 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 \$16,083 (2021 - \$9,775). 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. The current balance of this advance is \$5,679 [2021 - \$6,063].

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

6. MORTGAGES PAYABLE

There is one mortgage remaining for a fixed subsidy property, in the amount of \$66 [2021 - \$75]. This mortgage has an interest rate, before the senior government interest subsidy, of 0.68% per annum [2021 – 0.68%]. The maximum effective interest rate of the fixed subsidy mortgage to the Company after subsidy payments is 2% per annum over the mortgage term to renewal.

The remaining mortgages are in the amount of \$5,188 [2021 - \$5,962]. The interest rate of these mortgages varies from 0.68% to 6.45% per annum [2021 – between 0.68% and 6.45% per annum].

The mortgage repayment schedule is as follows:

Year	Total	
2023	\$	813
2024		617
2025		513
2026		516
2027		488
Thereafter		2,307
	\$	5,254

Related land and buildings have been pledged as collateral for mortgages payable. The net book value of land and buildings pledged amounts to \$31,742 [2021 - \$31,865] as at December 31, 2022.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

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:

	2022	2021
Members' Rate up to YMPE	7.45%	8.39%
Members' Rate over YMPE	11.80%	12.84%
Employers' Rate up to YMPE	8.45%	9.39%
Employers' Rate over YMPE	12.80%	13.84%

The current service contributions by the Company, as reflected in 'Salaries and Benefits' to the LAPP, were \$1,700 [2021 - \$1,265]. The current service contributions by the employees allocated to the LAPP were \$1,525 [2021 - \$1,143].

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

8. TANGIBLE CAPITAL ASSETS

As at December 31, 2022

Cost	January 1, 2022					December 31, 2022 Closing	
	Opening Balance	Depreciation	Additions	Transfers	Disposals	Balance	
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	
Work in Progress	1,809	-	2,498	(4,005)	-	302	
	<u>167,566</u>	<u>-</u>	<u>2,498</u>	<u>-</u>	<u>-</u>	<u>170,064</u>	
Accumulated Depreciation							
Building	56,804	1,738	-	-	-	58,542	
Building Betterment	11,035	1,381	-	-	-	12,416	
Systems/M&E	2,275	5	-	-	-	2,280	
Vehicles	266	44	-	-	-	310	
Furniture	287	-	-	-	-	287	
	<u>70,667</u>	<u>3,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,835</u>	
Net Book Value	\$ 96,899	\$ (3,168)	\$ 2,498	\$ -	\$ -	\$ 96,229	

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

As at December 31, 2021

Cost	January 1, 2021					December 31, 2021	
	Opening Balance	Depreciation	Additions	Transfers	Disposals	Closing Balance	
Land	\$ 27,957	\$ -	\$ -	\$ 636	\$ -	\$ 28,593	
Building	96,721	-	-	-	(3,907)	92,814	
Building Betterment	32,727	-	-	9,172	(653)	41,246	
Systems/M&E	2,273	-	-	-	-	2,273	
Vehicles	480	-	26	-	(22)	484	
Furniture	347	-	-	-	-	347	
Work in Progress	4,372	-	7,245	(9,808)	-	1,809	
	<u>164,877</u>	<u>-</u>	<u>7,271</u>	<u>-</u>	<u>(4,582)</u>	<u>167,566</u>	
Accumulated Depreciation							
Building	56,773	1,772	-	-	(1,741)	56,804	
Building Betterment	10,211	1,185	-	-	(361)	11,035	
Systems/M&E	2,269	6	-	-	-	2,275	
Vehicles	236	44	-	-	(14)	266	
Furniture	285	2	-	-	-	287	
	<u>69,774</u>	<u>3,009</u>	<u>-</u>	<u>-</u>	<u>(2,116)</u>	<u>70,667</u>	
Net Book Value	\$ <u>95,103</u>	\$ <u>(3,009)</u>	\$ <u>7,271</u>	\$ <u>-</u>	\$ <u>(2,466)</u>	\$ <u>96,899</u>	

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 at December 31, 2022 and 2021, one share was issued.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of Dollars)

For the year ended December 31, 2022

10. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, rent and other receivables, investments, payable to and receivable from senior government, accounts payable and accrued liabilities, unearned revenue, deferred funding, rent supplement advance, tenants' security deposits, and mortgages payable. 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.

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 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 residents and their dispersion across geographic areas within the City.

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.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

10. FINANCIAL INSTRUMENTS (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.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

11. ACCUMULATED SURPLUS

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

	2022	2021 (Restated-Note 21)
Accumulated surplus (Opening)	\$ 122,928	\$ 110,216
Surplus	5,924	12,712
Transfer to payable to senior government	(319)	-
Accumulated surplus (Closing)	\$ 128,533	\$ 122,928

	2022	2021 (Restated-Note 21)
Operating surpluses	\$ 112	\$ 13,235
Restricted replacement reserve	-	7,365
City owned community housing reserve carryover	-	4,363
Operating reserve	9,184	2,944
Capital reserve	28,099	-
Deferred capital contributions	163	4,159
Equity in tangible capital assets *	90,975	90,862
	\$ 128,533	\$ 122,928

* Equity in Tangible Capital Assets Breakdown

	2022	2021
Tangible capital assets (Note 8)	\$ 170,064	\$ 167,566
Accumulated depreciation (Note 8)	(73,835)	(70,667)
Long-term debt (Note 6)	(5,254)	(6,037)
Equity in tangible capital assets	\$ 90,975	\$ 90,862

During the year, the Company established a new financial reserve strategy (the “reserve strategy”) and corresponding policy which was approved by the Board on May 20, 2022. The new reserve strategy consolidates the historic reserve balances into a capital reserve and operating reserve.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

11. ACCUMULATED SURPLUS (continued)

The following reserve balances were within scope of the reserve strategy and therefore were transferred into the capital and operating reserves accordingly:

	<u>2021</u>
Restricted replacement reserve	\$ 7,365
City owned community housing reserve carryover	4,363
Operating reserve	2,944
Deferred capital contribution	4,159

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:

	<u>2022</u>	<u>2021</u> (Restated-Note 21)
Opening balance	\$ 2,944	\$ 2,460
Transfer from City-owned community housing reserve carryover	363	-
Use of operating reserve	(158)	-
Transfer from operating surpluses	6,035	484
Closing balance	\$ 9,184	\$ 2,944

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

11. ACCUMULATED SURPLUS (continued)

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

	2022
Opening balance	\$ -
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 operating surpluses	13,325
Closing balance	\$ 28,099

The City-owned community housing reserve represented funds received from the Province. In 2021, \$8,000 was received for the purpose of covering capital investments, as well as meeting lifecycle costs. Of this balance, \$4,000 was placed into reserve while the remainder was deferred (Note 12). This amount was transferred to the capital reserve upon approval of the reserve strategy in the current year. As of December 31, 2021, \$363 was also retained for the coverage of future operating deficits.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

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 to the underlying agreement(s). In 2022, the Company utilized \$21,396 [2021 - \$25,004] of restricted grants and recorded the related revenue and has recognized \$6,042 [2021 - \$9,358] in Government receivables related to restricted grants.

Information regarding the liabilities for restricted grants is as follows:

	January 1, 2022 (restated)	Restricted Inflows	Revenue Earned	Transfer to December 31, Reserves	December 31, 2022
The City of Calgary	\$ 1,606	\$ 25	\$ (621)	\$ -	\$ 1,010
The Government of Alberta	5,377	9,565	(6,009)	(372)	8,561
	<u>\$ 6,983</u>	<u>\$ 9,590</u>	<u>\$ (6,630)</u>	<u>\$ (372)</u>	<u>\$ 9,571</u>

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.

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

13. 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.

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

14. CONTINGENT ASSETS

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

The Company has contingent assets arising from open claims related to insured expenditures. As at December 31, 2022, the estimated amount of claims where recovery is likely is \$100 [2021 - \$178].

15. 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		Total
	agreements	Restricted grants	
2023	\$ 623	\$ 4,500	\$ 5,123
2024	621	4,500	5,121
2025	379	-	379
2026	173	-	173
2027	92	-	92
	<u>\$ 1,888</u>	<u>\$ 9,000</u>	<u>\$ 10,888</u>

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

15. 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.

16. 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
2023	\$	98	\$	229	\$ 327
2024		98		-	98
2025		98		-	98
2026		98		-	98
2027		98		-	98
Thereafter		392		-	392
	\$	882	\$	229	\$ 1,111

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

17. RELATED PARTY TRANSACTIONS

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

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

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

	2022	2021 (Restated-Note 21)
Revenue		
Restricted revenue	\$ 13,359	\$ 18,573
Expenses and Other Items		
Administration	54	183
Return to The City of Calgary	170	123
	224	306
Receivable from related parties	6,041	9,138
Prepaid expenses	-	129
Deferred revenue balance	1,010	3,982
Contractual Rights	-	18,433

NOTES TO FINANCIAL STATEMENTS
 (Expressed in thousands of Dollars)

For the year ended December 31, 2022

17. RELATED PARTY TRANSACTIONS (continued)

The Company shares various administrative services and functions such as banking, payroll, safety, training, IT equipment, investment support and executive leadership with the City. 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 \$1,374 [2021 - \$1,416] 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.

18. CHANGES IN NON-CASH WORKING CAPITAL

	2022	2021 (Restated-Note 21)
Receivables	\$ 2,868	\$ (4,049)
Accounts payable and accrued liabilities	(6,110)	4,631
Unearned revenue	(132)	92
Deferred funding	2,588	(432)
Payable to government	(785)	437
Rent supplement advance	(384)	2,501
Tenants' security deposits	52	13
Employee benefit obligation	438	(103)
Prepaid expenses	(2,509)	1,154
(Decrease)/Increase in non-cash working capital	\$ (3,974)	\$ 4,244

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

19. CONTINGENCIES

Legal actions are periodically brought against the Company arising from the use of its properties in the normal course of operations. The Company is involved in a legal claim where damages are being sought and the outcome is not determinable. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Management believes that the outcome of these claims is not expected to be significant to the Company's overall financial position. No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as of December 31, 2022.

20. APPROVAL OF BUDGET AND FINANCIAL STATEMENTS

Budget figures included in the financial statements were approved by the Board on May 20, 2022. The Board and Management have approved these financial statements.

NOTES TO FINANCIAL STATEMENTS
(Expressed in thousands of Dollars)

For the year ended December 31, 2022

21. PRIOR YEAR RESTATEMENT

In 2022, as part of the implementation of the new reserve strategy, CHC noted that certain historic funding had been incorrectly classified between equity, liabilities, and revenue. This resulted in an understatement of revenue and liabilities, and an overstatement of accumulated surplus on a net basis for the fiscal year ended 2021. The financial statements have been corrected retroactively and the comparative figures have been restated. The effect of these changes is as follows:

	2021 as previously reported	Restatement	2021 restated
Statement of Financial Position			
Deferred funding (<i>Note 12</i>)	\$ 5,391	\$ 1,592	\$ 6,983
Accumulated surplus (<i>Note 11</i>)	124,520	(1,592)	122,928
Statement of Operations			
Restricted funds (<i>Note 12</i>)	21,718	3,286	25,004
City of Calgary surplus transferred to reserve (<i>Note 11</i>)	(649)	649	-
Statement of Cash Flows			
Surplus	8,777	3,935	12,712
Change in non-cash working capital (<i>Note 18</i>)	727	3,517	4,244
Transfer from deferred capital contributions (<i>Note 11</i>)	(911)	911	-
City owned community housing reserve	8,363	(8,363)	-
Statement of Change in Net Assets			
Surplus	8,777	3,935	12,712
Transfer from deferred capital contributions (<i>Note 11</i>)	(911)	911	-
City owned community housing reserve	8,363	(8,363)	-
Net Assets, beginning balance	\$ 11,414	\$ 1,926	\$ 13,340

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 [2021 – 10 properties] owned by the Company, with 206 units [2021 – 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, 2022

	BUDGET	2022	2021
REVENUE			
Rent revenue	\$ 1,065	\$ 1,200	\$ 1,083
Government Transfers			
Deficit funding	1,741	1,396	2,002
Restricted funds (Note 12)	1,179	659	61
Interest income	17	8	2
Insurance recoveries (Note 13)	-	26	-
Miscellaneous	20	24	12
	<u>4,022</u>	<u>3,313</u>	<u>3,160</u>
EXPENSES			
Administration	100	102	84
Salaries and benefits	638	593	559
Amortization of tangible capital assets (Note 8)	424	403	368
Debt servicing	36	36	41
Maintenance	1,022	1,224	1,113
Property operations	440	423	406
Taxes and leases	88	84	88
Utilities	377	366	357
	<u>3,125</u>	<u>3,231</u>	<u>3,016</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	897	82	144
SURPLUS	<u>\$ 897</u>	<u>\$ 82</u>	<u>\$ 144</u>

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

Calhome Owned Portfolio (Unaudited)

This portfolio is comprised of 40 properties [2021 – 40 properties] owned by the Company, with 1,654 units [2021 – 1,654 units], of which 1,649 are residential and 5 are non-residential.. 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
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
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, 2022

	BUDGET	2022	2021 (Restated-Note 21)
REVENUE			
Rent revenue	\$ 20,007	\$ 20,725	\$ 20,215
Government Transfers			
Restricted funds (Note 12)	2,963	3,457	11,164
Interest income	329	890	271
Investment income	252	215	402
Insurance recoveries (Note 13)	-	42	1
Miscellaneous	300	326	243
	<u>23,851</u>	<u>25,655</u>	<u>32,296</u>
EXPENSES			
Administration	852	1,225	818
Salaries and benefits	5,190	5,010	4,522
Amortization of tangible capital assets (Note 8)	2,827	2,694	2,567
Debt servicing	120	126	183
Maintenance	5,553	7,054	9,032
Property operations	2,725	2,567	2,772
Taxes and leases	770	734	770
Utilities	1,828	1,837	1,770
	<u>19,865</u>	<u>21,247</u>	<u>22,434</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	3,986	4,408	9,862
OTHER ITEMS			
Loss on asset disposal	-	-	(2,455)
	<u>-</u>	<u>-</u>	<u>(2,455)</u>
SURPLUS	<u>\$ 3,986</u>	<u>\$ 4,408</u>	<u>\$ 7,407</u>

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

Corporate Properties Residential Portfolio (Unaudited)

The Company manages 22 properties [2021 – 22 properties] on behalf of the City of Calgary, with 221 units [2021 – 222 units], all of which are residential. Any operating surplus is to be returned to the City of Calgary.

Property	Property Code	Number of Units
Albert Park 8	ALB8	21
Crescent Heights 5	CRE5	34
Forest Lawn 4	FLN4	5
Glenmore Park 1	GPK1	1
Greenview 1	GRV1	2
Highwood 1	HIW1	2
Manchester 1	MAN1	1
Montgommery 2	MON2	1
Ogden 7	OGD7	2
Shepard Industrial 1	SHI1	106
South West A	SCA1	1
Southview 1	SOV1	10
ST. Andrews Heights 1	STA1	2
Thornccliffe 2	THO2	5
Thornccliffe 3	THO3	5
Thornccliffe 4	THO4	4
Thornccliffe 5	THO5	3
West Hillhurst 1	WHL1	3
West Hillhurst 2	WHL2	5
West Hillhurst 3	WHL3	2
West Hillhurst 4	WHL4	4
West Hillhurst 5	WHL5	2
Total		221

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, 2022

	BUDGET	2022	2021
REVENUE			
Rent revenue	\$ 1,729	\$ 1,754	\$ 1,727
Government Transfers			
Restricted funds (Note 12)	-	104	138
Miscellaneous	10	11	7
	<u>1,739</u>	<u>1,869</u>	<u>1,872</u>
EXPENSES			
Administration	113	109	95
Salaries and benefits	640	626	547
Amortization of tangible capital assets (Note 8)	3	3	3
Maintenance	261	515	539
Property operations	251	149	309
Utilities	209	297	255
	<u>1,477</u>	<u>1,699</u>	<u>1,748</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	262	170	124
OTHER ITEMS			
Return to The City of Calgary	(262)	(170)	(124)
	<u>(262)</u>	<u>(170)</u>	<u>(124)</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 32 properties [2021 – 32 properties] owned by the City of Calgary, with 1,181 units [2021 – 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, 2022

	BUDGET	2022	2021 (Restated-Note 21)
REVENUE			
Rent revenue	\$ 11,407	\$ 11,820	\$ 10,920
Government Transfers			
Restricted funds (Note 12)	5,443	6,244	3,118
Interest income	46	2	13
Investment income	114	(33)	86
Insurance recoveries (Note 13)	-	39	37
Miscellaneous	346	390	311
	<u>17,356</u>	<u>18,462</u>	<u>14,485</u>
EXPENSES			
Administration	618	598	510
Salaries and benefits	3,805	3,728	3,325
Amortization of tangible capital assets (Note 8)	19	16	17
Maintenance	6,998	8,954	6,028
Property operations	2,339	2,523	2,438
Utilities	1,487	1,530	1,371
	<u>15,266</u>	<u>17,349</u>	<u>13,689</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	2,090	1,113	796
OTHER ITEMS			
City of Calgary surplus retained	(2,090)	-	-
Loss on asset disposal	-	-	2
	<u>(2,090)</u>	<u>-</u>	<u>2</u>
*SURPLUS	<u>\$ -</u>	<u>\$ 1,113</u>	<u>\$ 798</u>

*The City of Calgary Partnership portfolio's surplus for fiscal year 2022 has been contributed to reserve in accordance with the Board-approved reserve strategy.

Calhome Properties Ltd.
 Operating as 'Calgary Housing Company'

City Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 24 properties [2021 – 24 properties] owned by the City of Calgary, with 1,052 units [2021 – 1,052 units], of which 1,047 are residential and 5 are non-residential, CHC 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	210
Bridgeland 2 - Commercial	BRD2C	2
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		1,052

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, 2022

	BUDGET	2022	2021 (Restated-Note 21)
REVENUE			
Rent revenue	\$ 4,425	\$ 4,601	\$ 4,792
Government Transfers			
Deficit funding	5,930	4,965	4,137
Restricted funds (Note 12)	9,760	9,101	9,816
Interest income	-	106	-
Insurance recoveries (Note 13)	-	10	1
Miscellaneous	120	151	116
	<u>20,235</u>	<u>18,934</u>	<u>18,862</u>
EXPENSES			
Administration	517	524	437
Salaries and benefits	3,796	3,490	3,168
Amortization of tangible capital assets (Note 8)	15	14	14
Maintenance	11,249	10,424	6,919
Property operations	2,475	2,162	1,994
Utilities	2,183	2,000	1,969
	<u>20,235</u>	<u>18,614</u>	<u>14,501</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	-	320	4,361
OTHER ITEMS			
Loss on asset disposal	-	-	2
	-	-	2
* SURPLUS	<u>\$ -</u>	<u>\$ 320</u>	<u>\$ 4,363</u>

*The City Owned Community Housing portfolio received capital funding of \$8,000 and operating funding of \$4,500 from the Province during fiscal year 2022. The full balance of the operating funding was utilized during 2022. The \$8,000 capital funding is disclosed as deferred funding in 2022 to be utilized in 2023 and 2024. The portfolio's 2021 and 2022 surplus resulting from unutilized provincial capital funding has been contributed to reserves in accordance with the Board-approved reserve strategy.

Provincially Owned Community Housing Portfolio (Unaudited)

This portfolio consists of 105 properties [2021 - 105 properties] owned by the Province of Alberta, with 2,702 units [2021 – 2,702 units], of which 2,699 are residential and 3 are non-residential. 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	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

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

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, 2022

	BUDGET	2022	2021
REVENUE			
Rent revenue	\$ 12,223	\$ 11,978	\$ 12,309
Government Transfers			
Deficit funding	12,607	12,490	11,270
Restricted funds (Note 12)	1,291	1,831	707
Insurance recoveries (Note 13)	1,367	948	2
Miscellaneous	255	373	263
	<u>27,743</u>	<u>27,620</u>	<u>24,551</u>
EXPENSES			
Administration	1,335	1,345	1,106
Salaries and benefits	8,262	8,270	7,450
Amortization of tangible capital assets (Note 8)	40	36	37
Maintenance	7,534	7,576	6,017
Property operations	3,295	3,223	3,416
Taxes and leases	1,046	1,047	1,046
Utilities	6,231	6,123	5,480
Insurance (Note 13)	-	-	3
	<u>27,743</u>	<u>27,620</u>	<u>24,555</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	-	-	(4)
OTHER ITEMS			
Loss on asset disposal	-	-	4
	<u>-</u>	<u>-</u>	<u>4</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2022

	<u>BUDGET</u>	<u>2022</u>	<u>2021</u>
REVENUE			
Rent supplement funding	\$ 22,561	\$ 20,641	\$ 16,349
	<u>22,561</u>	<u>20,641</u>	<u>16,349</u>
EXPENSES			
Administration	342	356	300
Salaries and benefits	728	723	517
Amortization of tangible capital assets (Note 8)	-	2	2
Rent supplement	21,491	19,560	15,530
	<u>22,561</u>	<u>20,641</u>	<u>16,349</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>