

**Financial Statements of
GEF SENIORS HOUSING
LODGE PROGRAM
December 31, 2024**

**GEF SENIORS HOUSING
LODGE PROGRAM
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December 31, 2024**

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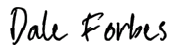
MANAGEMENT'S STATEMENT OF RESPONSIBILITY


Management is responsible for the preparation and presentation of the financial statements and all other information in the annual report. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Financial and operating data presented elsewhere in the annual report are consistent with the information contained in the financial statements.

Management maintains a system of internal controls which provides reasonable assurance that the assets of the program are safeguarded and which facilitates the preparation of timely, relevant and reliable financial information which reflects, when necessary, management's best estimates and judgements based on informed knowledge of the facts.

The Board of Directors is responsible for determining that management fulfills its responsibilities in the preparation of financial statements and the financial control of operations. The Board of Directors have reviewed the financial statements and have recommended their approval. The independent auditors have unrestricted access to the Board of Directors.

The financial statements have been audited by RSM Canada LLP, Chartered Professional Accountants, and their report follows.

Signed by:

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Dale Forbes, BA, CIP, MBA
Chief Executive Officer

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Kevin Mah, CPA, CMA
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of GEF Seniors Housing - Lodge Program

Opinion

We have audited the financial statements of GEF Seniors Housing - Lodge Program (the "program"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the program as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 the program in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements reflect only the operations of the Lodge Program. GEF Seniors Housing prepares a general purpose set of financial statements in which we issued an auditor's report dated March 27, 2025.

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 Canadian accounting standards for not-for-profit organizations, 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 the program'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 the program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the program'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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the program'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 the program'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 the program 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.

RSM Canada LLP

Chartered Professional Accountants
March 27, 2025
Edmonton, Alberta

GEF SENIORS HOUSING**LODGE PROGRAM****Statement of Operations***Year ended December 31, 2024**(In thousands)*

	2024	2023
REVENUES		
Rent	\$ 17,849	\$ 16,596
City of Edmonton	5,119	4,900
Province of Alberta	6,551	4,898
Federal	86	87
Other revenues	5,916	5,268
	<u>35,521</u>	<u>31,749</u>
EXPENSES		
Personnel	24,397	22,436
Operating	4,518	4,374
Utilities	3,072	3,094
Amortization	1,689	1,683
Maintenance	1,374	1,562
Administrative	1,320	1,259
Taxes and improvements	1	1
Loss (gain) on tangible capital asset disposal	2	(4)
	<u>36,373</u>	<u>34,405</u>
DEFICIENCY OF REVENUES		
OVER EXPENSES FROM OPERATIONS	<u>(852)</u>	<u>(2,656)</u>
Extraordinary revenues - COVID 19	-	930
Extraordinary expenses - COVID 19	-	(35)
DEFICIENCY OF REVENUES OVER		
EXPENSES AFTER EXTRAORDINARY ITEMS	<u>\$ (852)</u>	<u>\$ (1,761)</u>

See accompanying notes to the financial statements

**GEF SENIORS HOUSING
LODGE PROGRAM**

Statement of Financial Position

As at December 31, 2024

(In thousands)


	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 4,149	\$ 4,213
Accounts receivable	621	1,438
Due from GEF Affordable Housing Program and GEF Seniors Self-Contained (Note 7)	658	-
Inventories	157	162
Prepaid expenses	681	617
	<u>6,266</u>	<u>6,430</u>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>16,465</u>	<u>17,994</u>
	<u><u>\$ 22,731</u></u>	<u><u>\$ 24,424</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	2,736	3,150
Due to GEF Affordable Housing Program and GEF Seniors Self-Contained (Note 7)	-	450
Deferred revenue (Note 5)	60	47
Tenants' security deposits	336	326
	<u>3,132</u>	<u>3,973</u>
NET ASSETS		
Invested in tangible capital assets	15,345	16,855
Internally restricted:		
Capital Reserve	3,649	3,000
Operating	605	605
Unrestricted deficit	-	(9)
	<u>19,599</u>	<u>20,451</u>
	<u><u>\$ 22,731</u></u>	<u><u>\$ 24,424</u></u>

See accompanying notes to the financial statements

APPROVED BY THE BOARD OF DIRECTORS:

Signed by:

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**GEF SENIORS HOUSING
LODGE PROGRAM**

Statement of Changes in Net Assets
Year ended December 31, 2024
(In thousands)

	Invested in Tangible Capital Assets	Restricted		Unrestricted		Total 2023
		Operating Reserve	Capital Reserve	Lodge Surplus (Deficit)	Total 2024	
BALANCE, BEGINNING OF YEAR	\$ 16,855	\$ 605	\$ 3,000	\$ (9)	\$ 20,451	\$ 22,212
Deficiency of revenues over expenses	-	-	-	(852)	(852)	(1,761)
Amortization of tangible capital assets	(1,689)	-	-	1,689	-	-
Interest on capital bank account, net of bank charges	19	-	-	(19)	-	-
Net purchases of tangible capital assets	160	-	-	(160)	-	-
Transfer surplus (deficiency) to Capital Reserve	-	-	649	(649)	-	-
BALANCE, END OF YEAR	\$ 15,345	\$ 605	\$ 3,649	\$ -	\$ 19,599	\$ 20,451

See accompanying notes to the financial statements

**GEF SENIORS HOUSING
LODGE PROGRAM**
Statement of Cash Flows
Year ended December 31, 2024
(In thousands)

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (852)	\$ (1,761)
Amortization of tangible capital assets	1,689	1,683
Write-off of work in progress	122	1,053
Loss (gain) on disposal of tangible capital assets	2	(4)
Net changes in non-cash working capital:		
Decrease (increase) in current assets	100	(400)
(Decrease) increase in current liabilities	(841)	(94)
	220	477
INVESTING ACTIVITIES		
Redemption of short-term investments	-	7,113
Purchase of tangible capital assets	(292)	(100)
Disposal of tangible capital assets	8	4
	(284)	7,017
(DECREASE) INCREASE IN CASH DURING THE YEAR	(64)	7,494
CASH AT BEGINNING OF YEAR	4,213	(3,281)
CASH AT END OF YEAR	\$ 4,149	\$ 4,213

See accompanying notes to the financial statements

GEF SENIORS HOUSING**LODGE PROGRAM****Notes to the Financial Statements**

Year ended December 31, 2024

*(In thousands)***Note 1**Nature of Operations

GEF Seniors Housing (the "Management Body") was established as a Management Body on January 1, 1996 by Provincial Ministerial Order and is governed by the Alberta Housing Act (1994) and its regulations. The Management Body is a not-for-profit organization operating and managing social programs aimed at providing affordable housing to low-income seniors in Edmonton, Alberta. The Management Body qualifies as a non-profit organization as defined in the Income Tax Act (Canada) and, as such, is exempt from income taxes.

The Management Body manages senior citizen housing owned by the City of Edmonton, the Province of Alberta and the Management Body. GEF Seniors Housing has three different programs:

- a) **Lodge Program:** The operating program reports the Management Body's program delivery and administrative activities, excluding the operations of the Management Body's affordable housing projects. This fund reports unrestricted resources, operating grants and tangible capital assets, including land, buildings, equipment and furniture.
- b) **Affordable Housing Program:** The affordable housing program reports the Management Body's unrestricted resources earned from affordable housing projects. This program includes the operations of Rosslyn Terrace, Ottewell Terrace, and Sakaw Terrace which are required by the Province of Alberta to be self-sustaining under the conditional capital grant funding agreement. This also includes tangible capital assets including land, buildings, equipment and furniture. This program also includes the operations of other owned properties of the Management Body which are not part of the Lodge Program.
- c) **Resident Quality of Life Program:** The resident quality of life program reports the following:
 - Quality of Life Program funds raised from community campaigns or by residents for resident programs;
 - Funds raised for the Building for Life community campaign which will be used for the future
 - Donations made through specific bequests used for purposes specified by the donor.

Note 2Significant Accounting Policies**Basis of Presentation**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

These financial statements reflect only the operations of the Lodge Program.

**GEF SENIORS HOUSING
LODGE PROGRAM**
Notes to the Financial Statements
Year ended December 31, 2024
(In thousands)

Note 2
Significant Accounting
Policies (continued)

Cash and cash equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. Cash accounts are interest bearing.

Inventories

Inventories of food supplies are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

Tangible Capital Assets

Tangible capital assets are recorded at cost and amortized over their useful lives. Amortization is recorded on the straight-line basis at the following rates:

Land Improvement	12 years
Buildings	40 years
Building improvements	8 to 25 years
Equipment	3 to 15 years
Furniture	10 years

Tangible capital assets acquired but not available for use are not amortized.

Construction in progress is not amortized until they are placed in use and are included in tangible capital assets.

When conditions indicate a tangible capital asset is impaired, the carrying value of the tangible capital asset is written down to the asset's fair value or replacement cost. The write down of tangible capital assets is recorded as an expense in the statement of operations. A write down shall not be reversed.

Fund Accounting

The Management Body follows the restricted fund method of presentation. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified in the directives issued by the Board of Directors. Transfers between the Funds are made when it is considered appropriate and authorized by the Board of Directors. To meet these objectives of financial reporting and stewardship over assets, certain inter-fund transfers may be necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These inter-fund transfers are recorded as a component of changes in fund balances.

These statements reflect only the Lodge Program Fund.

Lodge Program Fund

The Lodge Program fund reports the Management Body's program delivery and administrative activities, excluding the operations of the Management Body's affordable housing projects. This fund reports unrestricted resources and operating grants.

**GEF SENIORS HOUSING
LODGE PROGRAM**
Notes to the Financial Statements
Year ended December 31, 2024
(In thousands)

Note 2

Significant Accounting
Policies (continued)

Reserves

The program's internally restricted funds are comprised of:

Operating Reserve

The restricted operating reserve is designated for major unforeseen expenditures and major unbudgeted expenditures of the Lodge Program.

Capital Reserve

The Capital Reserves are designated for all capital expenditures. Funding of and expenditures from these reserves require approval from both the City of Edmonton and Board of Directors.

Revenue Recognition

GEF Seniors Housing follows the restricted fund method for accounting for contributions. Unrestricted contributions related to general operations are recognized as revenue of the Lodge Program. Restricted contributions related to the affordable housing project operations are recognized as revenue of the Affordable Housing Program. All other restricted contributions are recognized as revenue in the appropriate restricted program. Interest income earned on investments is recognized as revenue in the corresponding restricted fund. Rental revenues are recognized at the beginning of the rental month in accordance with rental agreements if the amount can be reasonably estimated and collection reasonably assured. Government assistance is recognized as other income in the year the related expenses are incurred.

Contributed goods and services

The program recognizes contributed goods at fair value at the date of contribution to the extent that the fair value can be reasonably determined. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments**Measurement**

The program initially measures its financial assets and financial liabilities at fair value.

The program subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and due from Apartment Operations and Seniors Self-Contained.

Financial liabilities measured at amortized cost include accounts payable, accrued liabilities, and tenant's security deposits and due from GEF - Seniors Self-Contained.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

**GEF SENIORS HOUSING
LODGE PROGRAM**
Notes to the Financial Statements
Year ended December 31, 2024
(In thousands)

Note 2

Significant Accounting
Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates, which include the useful lives of tangible capital assets, collectability of accounts receivable and the determination of accrued expenses are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Note 3

Cash

Cash is maintained through the Management Body's bank and earns interest at prime less 1.9%. The Premium Investment savings account earns interest at 0.3%. The Management Body has available \$2,000,000 revolving loan with interest at prime plus 0.5% with security provided by a general security agreement and collateral mortgage in the amount of \$2,000,000 on the Management Body's land. As of December 31, 2024, the Management Body had not drawn on the revolving loan.

Note 4

Tangible Capital
Assets

	Cost	Accumulated Amortization	2024 Net	2023 Net
Land	\$ 11	\$ -	\$ 11	\$ 11
Land improvement	507	306	201	235
Buildings	39,233	24,897	14,336	15,536
Building improvements	5,375	4,822	553	730
Construction in progress	-	-	-	122
Equipment	4,639	3,293	1,346	1,360
Furniture	877	859	18	-
	<u>\$ 50,642</u>	<u>\$ 34,177</u>	<u>\$ 16,465</u>	<u>\$ 17,994</u>

Note 5

Deferred Revenue

Deferred revenue consists of future rents that will be recognized in a future period:

	2023 Balance	Received during the Year	Recognized during the Year	2024 Balance
Future rent collected	\$ 47	\$ 670	\$ (657)	\$ 60

**GEF SENIORS HOUSING
LODGE PROGRAM**
Notes to the Financial Statements
Year ended December 31, 2024
(In thousands)

Note 6Pension Plan

Contributions to a defined contribution pension plan and a multi-employer pension plan are expensed on an accrual basis. The multi-employer defined benefit pension plan is accounted for consistent with defined contribution plans since the program has insufficient information to apply defined benefit plan accounting. Total contributions to the plan in 2024 amounted to \$1,284 (2023 - \$1,293). The program is required to contribute 7.45% (2023 - 8.45%) of pensionable earnings up to the maximum pensionable earnings under the Local Authorities Pension Plan and 10.65% (2023 - 12.23%) on pensionable earnings above this threshold.

Note 7Related Party
Transactions

The program is related to GEF Seniors Housing - Seniors Self-Contained Operations and GEF Seniors Housing - Affordable Housing Program through a common management team.

Included in due from Seniors Self Contained Operations is \$272 receivable (2023 - \$450 payable) for administration support and payroll, as well as \$387 receivable (2023 - \$nil) from GEF Seniors Housing - Affordable Housing Program for administration support, payroll, and mortgage payments.

During the year, the program received \$1,493,200 (2023 - \$1,478,961) in administration support from Seniors Self-Contained Operations, which is included in administrative expenses.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Note 8Risk Management

The program is exposed to various risks with regards to its financial statements and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the program's risk exposure and concentration as of December 31,

The program's financial instruments consist of cash, accounts receivable, GEF Seniors Housing - Seniors Self-Contained Operations, GEF Seniors Housing - Affordable Housing Program, and accounts payable and accrued liabilities, and due to apartment operations.

The program is exposed to the following risks through its financial instruments:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The program is exposed to credit risk from its tenants. The program has a significant number of tenants which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the program will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the program not being able to liquidate assets in a timely manner at a reasonable price. The program meets its liquidity requirements by preparing and monitoring detailed budgets of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

There have been no changes to the risk exposures that were identified in the previous year.

**GEF SENIORS HOUSING
LODGE PROGRAM**
Notes to the Financial Statements
Year ended December 31, 2024
(In thousands)

Note 9

Annual Budget
Surplus

The program recognizes that the City of Edmonton (the "City") has an interest in any budget surpluses

- (a) The program's audited financial statements shall be used to determine the amount of the annual budget surplus or deficit for the year, if any.
- (b) Items included in the program's year end audited Statement of Operations that the City is not responsible to fund shall be excluded from the calculation. These include but are not limited to such items as depreciation, amortization, surplus/deficit from the Senior Self Contained operations and any special projects that GEF Seniors Housing and the City have agreed are not part of the City's funding responsibility.
- (c) Items excluded in the GEF Seniors Housing's year end audited Statement of Operations that the City is responsible to fund shall be included in the calculation. These include but are not limited to debt principal repayment, capital costs and any special projects that GEF Seniors Housing and the City have agreed are part of the City's funding responsibility.

The 2024 surplus was calculated as follows:

Deficiency of revenues over expenditures of the operating fund:	\$	(852)
Less:		
Tangible capital assets amortization		1,689
Equipment purchases excluding major capital projects		(292)
Transfer of interest, net of bank charges on capital bank account to invested in tangible capital assets		(19)
Total operating annual surplus	\$	526

The annual surplus calculated in accordance with a, b, and c shall be retained by the Management Body for either paying down debt or for new construction. Prior approval by the Management Body Board of Directors and City Council is required for new construction.

Note 10
Contingent
Liabilities

As part of the normal course of business, the Management Body is involved in various claims and litigation. The Management Body has determined that while the outcome of these matters is not expected to result in a material loss beyond the amount accrued, a provision of \$100,000 has been recorded in the December 31, 2024, financial statements.