

## GEF SENIORS HOUSING ANNUAL REPORT

### 2024 Financial Reporting and 2026 Operating and Capital Budgets

#### Recommendation

1. That Option \_\_\_\_, as outlined in Attachment 10 of the November 24, 2025, Community Services report CS03136, related to the GEF Seniors Housing - Lodge Program - 2026 Proposed Operating Budget, be approved.
2. That Option \_\_\_\_, as outlined in Attachment 10 of the November 24, 2025, Community Services report CS03136, related to the GEF Seniors Housing - Lodge Program - 2026 Proposed Capital Budget, be approved.

<b>Requested Action</b>	Council decision required		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Healthy City</b>		
<b>City Plan Values</b>	BELONG. LIVE.		
<b>City Plan Big City Move(s)</b>	Inclusive and compassionate	<b>Relationship to Council's Strategic Priorities</b>	Community safety and well-being
<b>Corporate Business Plan</b>	Serving Edmontonians		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• November 30, 2022, City Council, GEF Seniors Housing Budget Presentation to the City of Edmonton</li> <li>• January 31, 2023, City Council Meeting, GEF Seniors Housing - Annual Financing Reporting</li> <li>• November 1, 2023, Community Services report CS01727, GEF Seniors Housing Annual Financing Reporting</li> <li>• October 9, 2024, Community Services report CS02564, GEF Seniors Housing Annual Report, 2023 Financial Reporting</li> </ul>		

# GEF SENIORS HOUSING ANNUAL REPORT - 2024 Financial Reporting and 2026 Operating and Capital Budgets

## Executive Summary

- Under the *Alberta Housing Act*<sup>1</sup> and Ministerial Order No. H:024/20<sup>2</sup>, as a housing management body, GEF Seniors Housing (GEF) must provide the following documents to City Council: annual financial statements; an auditor's report; a three-fiscal-year business plan and annual operating and capital budgets for seniors housing lodge operations. The three-fiscal-year business plan and annual operating and capital budgets require City Council approval.
- The three-fiscal-year business plan, 2024-2028 GEF Strategic Plan, was approved by Council on October 22, 2024 as part of CS02564, GEF Seniors Housing Annual Report, 2023 Financial Reporting.
- At the January 31, 2023, City Council meeting, the following motion was passed:
  - That Administration work with GEF Seniors Housing to provide annual financial reporting to Committee, including all deficits and in-year variances.
- To ensure adequate reporting to the City of Edmonton (City), the following additional information was also requested from GEF related to the lodge program:
  - executive summary highlighting key information in regards to the lodge program's 2024 financial reporting and 2026 operating and capital budgets;
  - annual occupancy report for lodge accommodations; and
  - annual variance reporting comparing actuals to budget, including explanations for any significant variances.
- GEF's proposed 2026 seniors housing lodge program operating budget incorporates previously approved City funding of \$4.9 million with no additional operating funding being requested from the City.
- GEF's proposed 2026 seniors housing lodge program capital budget has identified a funding shortfall of \$4.7 million, for which GEF has submitted an unfunded service package for City Council's consideration as a part of the Fall 2025 Supplemental Operating Budget Adjustment discussion.
- Council may approve the 2026 operating and/or capital budgets, as submitted, or request that the GEF board make revisions. If Council chooses to send the capital and/or operating budgets back to the GEF board for revision, direction on what is to be revised and what date to return with the revised budgets must be provided. Administration has provided proposed wording for both options in Attachment 10 for the operating and capital budgets.
- Under the *Alberta Housing Act*, GEF can requisition the City for the amount of GEF's annual deficit for the previous fiscal year arising from the provision of seniors housing lodge accommodations. GEF ended 2024 in a surplus and as a result did not require a requisition to the City in 2025. Year-end results for 2025 will not be available until the first quarter of 2026.

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<sup>1</sup> *Alberta Housing Act*, RSA 2000, c A-25

[https://kings-printer.alberta.ca/1266.cfm?page=A25.cfm&leg\\_type=Acts&isbncln=9780779850976&display=html](https://kings-printer.alberta.ca/1266.cfm?page=A25.cfm&leg_type=Acts&isbncln=9780779850976&display=html)

<sup>2</sup> *Ministerial Order No. H:024/20*, Alta Reg 139/2020

<https://www.edmonton.ca/sites/default/files/public-files/GEFMinisterialOrders.pdf?cb=1671150382>

## REPORT

### Background

GEF Seniors Housing (GEF), formerly known as Greater Edmonton Foundation, is the largest not-for-profit provider of affordable housing and supportive living options for seniors in Alberta. The organization provides safe, affordable and secure homes to approximately 4,000 seniors.

Greater Edmonton Foundation was founded in 1959 under the *Alberta Housing Act* (the Act), through provincial Ministerial Order No. H:158/95. The purpose of the Act is to enable the efficient provision of a basic level of housing accommodation for persons who because of financial, social or other circumstances require assistance to obtain or maintain housing accommodation.

In 2020, the order was updated under Ministerial Order No. H:024/20 (Attachment 1) to change the organization's name to GEF Seniors Housing and to update its management body's operations, financial responsibilities and property holdings.

### Governance Structure and Financial Requirements

In summary, the Ministerial Order establishes the following governance structure:

- GEF is the management body responsible to operate and maintain affordable and accessible social housing accommodation for low and moderate income seniors.
- The City of Edmonton is the only member of the management body.
- The management body is governed by a board, appointed by City Council.

From a financial reporting perspective, the Ministerial Order requires GEF's board to provide City Council the following financial documents for approval:

- Three-fiscal-year business plan (2024-2028 GEF Strategic Plan was approved by Council on October 22, 2024 as part of CS02564).
- Annual operating budget, including operating expenses, debt servicing costs, amounts transferred to reserves, rental from tenants, other funding, surplus funds, operating deficits to be requisitioned from the City and any other operating budget information requested by City Council.
- Annual capital budget, including amounts to acquire, construct or improve capital property, amounts transferred to reserves, funding from other sources and any other capital budget information requested by Council.
- Within 60 days of receipt, City Council must approve the operating and capital budget, or advise the GEF board of items for which revisions are necessary. The GEF board must then submit a revised budget for approval within a time specified by City Council.

Additionally, the Act requires GEF to provide City Council with audited financial statements for the most recent fiscal year. The Act also allows for GEF to requisition the City for any deficit that was incurred in the previous fiscal year from the lodge program and any amounts necessary to establish or continue a reserve fund, where those amounts are included in a GEF operating or capital budget previously approved by City Council.

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In summary, City Council is responsible for approving GEF's multi-year business plan and annual operating and capital budgets, including any funds that are required to establish or continue a reserve fund. Also, if GEF ends the preceding year in a deficit position related to the lodge program they are able to requisition the City for the deficit position before April 30 of the current year as long as the costs resulting in the deficit are reasonable and included in a GEF operating or capital budget previously approved by City Council.

To ensure adequate reporting to the City, the following additional information related to the lodge program is also requested by the City from GEF:

- Annual variance reporting comparing actuals to budget, and actual to prior year, with explanations for any significant variances
- Annual occupancy reporting for lodge accommodations

Table 1 provides a summary of all the relevant financial information for this reporting period, including dates required for GEF to submit the information to the City and attachment references for the information provided by GEF.

**Table 1: Required GEF Financial Reporting**

Directive Source	GEF Submission Requirements	Date Required to be Submitted to City Manager	Reporting Frequency	Report Attachment
<i>Alberta Housing Act, s.15(2)</i>	Annual audited financial statements for the previous fiscal year, accompanied with variance reporting (2024 year-end financial statements)	90 days after December 31 of current fiscal year (March 31, 2024)	Annually	Attachments 4 and 5
Ministerial Order No. H:024/20, s.5(1)	Business plan for the upcoming three-fiscal-year period <sup>1</sup>	90 days prior to the end of every three-fiscal-year period	Every three years	Attachment 6
Ministerial Order No. H:024/20, s.5(2)	Operating budget for the next fiscal year (2026)	90 days before January 1 of the next fiscal year (October 1, 2025)	Annually	Attachment 7
Ministerial Order No. H:024/20, s.5(3)	Capital budget for the next fiscal year (2026)	90 days before January 1 of the next fiscal year (October 1, 2025)	Annually	Attachment 8
<i>Alberta Housing Act, s.7</i>	Requisition to the City for annual deficit from preceding fiscal year <sup>2</sup>	April 30, 2026 for the 2025 operating year	Annually	2025 year-end financial results will not be available until Q1 2026

<sup>1</sup> Council approved GEF's 2024-2028 five year business plan on October 22, 2024 (CS02564), which is acceptable to meet the requirements of the Ministerial Order.

<sup>2</sup> No requisition was requested in 2025 for the 2024 operating year

For additional information, GEF has provided an executive summary (Attachment 2) with highlights of their 2024 financial statements and 2026 operating and capital budgets.

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### 2024 Financial Reporting

The December 31, 2024, audited financial statements for the GEF Seniors Housing Lodge Program are provided in Attachment 4. GEF ended the 2024 fiscal year in an operating deficit of \$0.8 million, however, after excluding amortization (non-cash expense) and other minor adjustments, GEF's final 2024 operating position for requisition purposes resulted in a surplus which meant no requisition to the City was required in 2025.

### 2026 Operating Budget

On December 1, 2022, during the 2023-2026 budget deliberations, Council approved the continuation of operational funding for GEF in the amount of \$4.9 million annually, which has been in place since 2022 and is approved until 2026.

The 2026 GEF proposed operating budget (Attachment 7) incorporates the \$4.9 million in City funding previously approved by Council with no proposed increase. GEF receives some provincial funding (approximately \$6.9 million) with the majority of funding coming from tenant rent and other residential services (approximately \$23.9 million). The \$4.9 million from the City is approximately 13 per cent of GEF's proposed 2026 operating budget expenses of \$36.6 million. The most notable changes in the 2026 operating budget submission were a \$0.9 million increase in the Lodge Assistance Program (LAP) grant from the Province and a \$2.1 million increase in human resource costs, which include the addition of 11.8 new FTEs.

### 2026 Capital Budget and Funding Request

The 2026 GEF proposed capital budget (Attachment 8) outlines planned 2026 capital projects totalling \$6.8 million with available funding of only \$2.1 million from GEF's capital reserve, resulting in a capital budget shortfall for 2026 of \$4.7 million. GEF's existing Lodge Program Capital Reserve (capital reserve) is expected to be approximately \$2.8 million by the end of 2025, with \$2.1 million proposed to fund the 2026 Priority 1 capital projects identified in the capital budget.

GEF has submitted an unfunded service package for \$4.7 million in one-time funding for Council's consideration as a part of the 2025 Fall Supplemental Operating Budget Adjustment report to address the 2026 capital budget shortfall. If any portion of the \$4.7 million remains unfunded, the capital projects will be deferred and carried forward to be considered in future budget requests to the City. Further, if any unplanned expenditures are incurred by GEF on an emergent, critical basis due to a building component failing, resulting in GEF ending the 2026 fiscal year in a deficit position, GEF would be in a position where they could requisition the City for the funds before April 30, 2027. That being said, the City would request that GEF utilize all available funds from the capital reserve fund and the provincial government to fund any deficit position as a result of the unplanned costs. GEF has included a 2026 Capital Budget Risk Profile for additional context (Attachment 9) highlighting the risk of not funding the capital budget shortfall.

Per the Ministerial Order, Council is required to approve the operating and capital budget or send them back to the GEF Board to make revisions within 60 days of receipt of the budgets, which would be November 30, 2025 for the 2026 budget year. GEF has been apprised that a Council

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decision regarding the operating and capital budget will coincide with the broader Fall 2025 Supplemental Operating budget discussions, which are scheduled to conclude after November 30. GEF acknowledges these timelines and expresses no reservations concerning the decision on GEF budgets occurring after November 30. If Council chooses to send either GEF's capital and/or operating budgets back to the Board for revision, direction on what is to be revised and what date to return with the revised budgets should be provided.

Attachment 10 contains proposed language for budget motions required from Council to either approve or send back the proposed capital and/or operating budget to GEF for revisions. This is further elaborated upon in the budget and financial implications section below.

### Reserves

Based on the GEF's audited 2024 financial statements, the GEF board has previously authorized two separate reserves: an operating reserve and a capital reserve. It should be noted that the establishment of the reserves for the lodge program has not yet received formal approval from Council, as required by the Act. The process for seeking Council's approval for the reserves will be initiated during the 2027-2030 budget cycle. At that juncture, the City will review existing funds within the reserve and assess the appropriateness of their usage since its establishment. To date, the utilization of the reserve and transfers to and from it appear to be appropriate.

### **Budget/Financial Implications**

Administration's responsibility in the GEF financial reporting process involves coordinating financial information, in collaboration with GEF, to facilitate Council's deliberation and approval of budgets and business plans. Consistent with other agencies, boards, and commissions whose budgets Council approves, Administration does not typically undertake a detailed review of the proposed budget or offer a recommendation to Council regarding the extent of funding for these entities.

Council must either approve or request amendments be made to the 2026 operating and capital budgets submitted by GEF. If Council chooses to request amendments to the operating and/or capital budget submissions, details on the revisions as well as a date by which GEF must return to Council with the revised budget for consideration needs to be provided.

### 2026 Proposed Operating Budget

No additional funding request has been submitted by GEF for its 2026 operating budget.

Attachment 10 includes the two options available for Council related to the GEF 2026 operating budget.

Option 1 reflects the motion that would need to be passed if Council chooses to approve GEF's operating budget.

Option 2 represents the motion that would be necessary should Council not approve the operating budget as submitted. Council would be required to append details to the motion, outlining the necessary revisions. If this option is selected, Administration recommends that the

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revised budget be returned to Council for consideration prior to the end of February 2026. This would afford GEF adequate time to update the budget and facilitate a review with the GEF board.

### 2026 Proposed Capital Budget

GEF has submitted a total capital budget for 2026 of \$6.8 million, with \$2.1 million funded through the capital reserve and \$4.7 million unfunded. GEF has submitted an unfunded service package for \$4.7 million in one-time funding from the City to cover the capital budget shortfall. This funding request is included as an unfunded service package for Council's deliberation within FCS03158 Fall 2025 Supplemental Operating Budget Adjustment (SOBA).

In order to align with the City's budget process, Council will need to consider the unfunded service package alongside other funding requests during Fall SOBA deliberations. The outcome of those deliberations will determine if Council will be motioning approval of the 2026 GEF capital budget as presented, including funding the \$4.7 million service package, or requesting that GEF make amendments and resubmit for Council approval. The latter would be the outcome if no or partial additional funding is approved for GEF's service package during the Fall SOBA deliberations. Should Council not approve the capital budget as submitted, direction must be provided to GEF detailing the recommended modifications to the capital budget and specifying the deadline for GEF to present the revised capital budget for consideration.

Attachment 10 includes the two options available for Council related to the GEF 2026 capital budget.

Option 3 reflects the motion that would need to be passed if Council chooses to approve GEF's capital budget.

Option 4 represents the motion that would be necessary should Council not approve the capital budget as submitted. Council would be required to append details to the motion, outlining the necessary revisions. Similar to the operating budget, if this option is selected, Administration recommends that the revised budget be returned to Council for consideration prior to the end of February 2026.

### **Legal Implications**

In accordance with the Ministerial Order, within 60 days of receiving GEF's capital and operating budgets for the following fiscal year, Council is required to either approve the annual operating and capital budgets as submitted or advise of any items for which revisions are necessary. If revisions are required to the annual operating or capital budgets, GEF must bring the applicable revised budget back to Council within a time frame to be specified by Council.

### **Community Insight**

Non-profit affordable housing providers, including GEF, are regularly engaged in quarterly meetings and project discussions on challenges and opportunities to ensure an effective working relationship with the City of Edmonton.

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### GBA+

GBA+ is embedded in all planning work for affordable housing and homelessness initiatives. For many Edmontonians, a major barrier to safe and adequate housing is cost. Those experiencing intersecting identity factors tend to experience additional barriers and discrimination. These groups include Indigenous peoples, racialized people, 2SLGBTQ+, recent immigrants, women and children fleeing domestic violence, female heads of households, especially single mothers, young adults aged 18-29, seniors aged 65+, people with physical health or mobility challenges, people with developmental disabilities, people dealing with mental health and addictions issues, veterans and people experiencing homelessness. This report specifically relates to affordable housing challenges for seniors.

Many seniors rely on fixed or minimal income which often fall short of covering the rising costs of living. Seniors may face financial limitations as they typically have fewer opportunities to supplement or increase their income, making them particularly vulnerable to economic insecurity. Furthermore, fixed income rates for seniors often fail to keep pace with inflation, further exacerbating the financial strain to afford basic necessities like housing, utilities and healthcare.

As seniors age, their need for accessible housing and health-related supports typically increase. Affordable housing options provided by organizations like GEF are essential for low income and vulnerable seniors by providing stable and dignified housing solutions and specialized support services that cater to their complex and specific needs. GEF operates close to 4,000 subsidized seniors' housing units in Alberta, 3,777 of which are located in Edmonton, as of January 2024<sup>3</sup>. At the end of October 2025, there were 1,323 households waiting for seniors affordable housing.

Seniors have been identified by the federal government as one of the key groups experiencing housing vulnerabilities in Canada<sup>4</sup>. In 2021, 41 per cent of renter senior households were living in Core Housing Need in Edmonton<sup>5</sup> - this reflects nearly double the national rate of 22 per cent<sup>6</sup>. Core Housing Need is defined by the Canada Mortgage Housing Corporation (CMHC) as housing that falls below at least one of the adequacy, affordability or suitability standards. It also considers if income levels are such that they could not afford alternative, suitable and adequate housing in their community.

### Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

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<sup>3</sup> *GEF Seniors Housing, Strategic Plan: Charting Our Future | Measuring Our Progress, 2024-2028* (Edmonton, AB: GEF Seniors Housing, 2024), 5, <https://gef.org/wp-content/uploads/2024/03/GEF-Strategic-Plan-2024-2028-16-page.pdf>

<sup>4</sup> <https://www.placetocallhome.ca/about-national-housing-strategy>

<sup>5</sup> <https://www.edmonton.ca/sites/default/files/public-files/CoE-HousingNeedsAssessment2023.pdf?cb=1706745433>

<sup>6</sup> <http://www12.statcan.gc.ca/census-recensement/2021/dp-pd/dv-vd/housing-logement/index-en.cfm>

# **GEF SENIORS HOUSING ANNUAL REPORT - 2024 Financial Reporting and 2026 Operating and Capital Budgets**

## **Attachments**

1. Ministerial Order No. H:024/20
2. GEF Seniors Housing - Executive Summary
3. GEF Seniors Housing - Lodge/Cottage Occupancy Rates (Rentable Units) 2025
4. GEF Seniors Housing - Financial Statements of GEF Seniors Housing Lodge Program  
December 31, 2024
5. GEF Seniors Housing - 2024 Variance Reporting
6. GEF Seniors Housing Strategic Plan 2024-2028
7. GEF Seniors Housing - Lodge Program - 2026 Proposed Operating Budget
8. GEF Seniors Housing - Lodge Program - 2026 Proposed Capital Budget
9. GEF Seniors Housing - 2026 Capital Budget Risk Profile
10. Recommendation Options for Council