

**Financial Statements of**  
**GEF SENIORS HOUSING**  
**CONSOLIDATED SERVICE PROGRAMS**  
**December 31, 2024**

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**GEF SENIORS HOUSING**  
**CONSOLIDATED SERVICE PROGRAMS**  
**Index to Financial Statements**  
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 fulfils 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 - Consolidated Service Programs

### *Opinion*

We have audited the financial statements of GEF Seniors Housing - Consolidated Service Programs (the "Management Body"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets, and of 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 Management Body as at December 31, 2024, and the results of its 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 Management Body 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 Management Body's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Management Body or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Management Body's financial reporting process.

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### *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 Management Body'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 Management Body'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 Management Body 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*

Edmonton, Alberta  
March 27, 2025

Chartered Professional Accountants

**GEF SENIORS HOUSING  
CONSOLIDATED SERVICE PROGRAMS**

**Statement of Operations**

*Year ended December 31, 2024*

*(In thousands)*

	Lodge Program	Affordable Housing Program	Resident Quality of Life Program	Total 2024	Total 2023
<b>REVENUES</b>					
Rent	\$ 17,849	\$ 4,434	\$ -	\$ 22,283	\$ 20,804
City of Edmonton	5,119	-	-	5,119	4,900
Province of Alberta	6,551	543	-	7,093	5,682
Federal Government	86	-	-	86	87
Fair value on contributed land and building	-	-	-	-	2,666
Other revenue	5,916	1,147	1,266	8,329	7,522
	35,521	6,124	1,266	42,911	41,661
<b>EXPENSES</b>					
Personnel	24,397	1,875	-	26,272	24,125
Operating	4,518	512	30	5,060	4,941
Utilities	3,072	579	-	3,651	3,701
Amortization	1,689	2,337	-	4,026	4,003
Interest on long-term debt	-	379	-	379	542
Maintenance	1,374	675	-	2,049	2,106
Administrative	1,320	673	233	2,226	1,631
Taxes and improvements	1	1	-	2	1
	36,371	7,031	263	43,665	41,050
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS</b>					
	(850)	(907)	1,003	(754)	611
<b>OTHER ITEMS</b>					
Federal Grant	-	7,830	-	7,830	87
(Loss) gain on sale of tangible capital assets	(2)	2,898	-	2,896	(4)
Other revenues - COVID 19	-	-	-	-	938
Other expenses - COVID 19	-	-	-	-	(35)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>					
	\$ (852)	\$ 9,821	\$ 1,003	\$ 9,972	\$ 1,518

*See accompanying notes to the financial statements*

# **GEF SENIORS HOUSING CONSOLIDATED SERVICE PROGRAMS**

## **Statement of Financial Position**

*As at December 31, 2024*

*(In thousands)*

	Lodge Program	Affordable Housing Program	Resident Quality of Life Program	Total 2024	Total 2023
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents (Note 3)	\$ 4,149	\$ 16,361	\$ 4,990	\$ 25,500	\$ 12,429
Accounts receivable	621	21	-	642	1,447
Current portion of loan receivable (Note 4)	-	9	-	9	8
Due from GEF Seniors Self-Contained (Note 10)	658	-	330	988	-
Inventories	157	8	-	165	170
Prepaid expenses	681	191	-	872	848
	6,266	16,590	5,320	28,176	14,902
LOAN RECEIVABLE (Note 4)	-	19	-	19	28
TANGIBLE CAPITAL ASSETS (Note 5)	16,465	67,718	-	84,183	88,000
	<u>\$ 22,731</u>	<u>\$ 84,327</u>	<u>\$ 5,320</u>	<u>\$ 112,378</u>	<u>\$ 102,930</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities (Note 13)	2,736	1,151	2	3,889	3,376
Due to GEF Seniors Self-Contained (Note 10)	-	-	-	-	450
Deferred revenues (Note 6)	60	6	-	66	49
Tenants' security deposits	336	142	1	479	469
Current portion long-term debt (Note 7)	-	638	-	638	614
	3,132	1,937	3	5,072	4,958
LONG-TERM DEBT (Note 7)		11,123		11,123	11,761
	3,132	13,060	3	16,195	16,719
<b>NET ASSETS</b>					
Tangible capital assets	15,345	56,589	-	71,934	75,085
Externally restricted	-	-	296	296	265
Internally restricted:					
Capital reserve GEF	3,649	13,988	-	17,637	5,664
Restricted operating	605		-	605	605
Capital reserve Alberta Social Housing (ASHC)	-	690	-	690	552
Resident quality of life	-	-	5,021	5,021	4,049
Unrestricted deficit	-	-		-	(9)
	19,599	71,267	5,317	96,183	86,211
	<u>\$ 22,731</u>	<u>\$ 84,327</u>	<u>\$ 5,320</u>	<u>\$ 112,378</u>	<u>\$ 102,930</u>

*Contingent Liabilities (Note 13)*

*See accompanying notes to the financial statements*

APPROVED BY THE BOARD OF DIRECTORS:

*Don Gnatiuk*

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DocuSigned by:

*John Pessey*

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**GEF SENIORS HOUSING**  
**CONSOLIDATED SERVICE PROGRAMS**

**Statement of Changes in Net Assets**

*Year ended December 31, 2024*

*(In thousands)*

		Restricted				Unrestricted			
	Invested in Tangible Capital Assets	Capital Reserve GEF	Capital Reserve ASHC	Operating Reserve	Resident Quality of Life Reserve (Note 8)	Lodge Surplus (Deficit)	Affordable Housing Surplus (Deficit)	<b>Total 2024</b>	Total 2023
BALANCE, BEGINNING OF YEAR	\$ 75,085	\$ 5,664	\$ 552	\$ 605	\$ 4,314	\$ (9)	\$ -	<b>\$ 86,211</b>	\$ 84,693
Excess (Deficiency) of revenue over expenses	-	-	-	-	1,003	(852)	9,821	<b>9,972</b>	1,518
Amortization of tangible capital assets	(4,026)	-	-	-	-	1,689	2,337	-	-
Interest on Capital Account, net of bank charges	51	-	-	-	-	(19)	(32)	-	-
Gain on sale of tangible capital assets	-	2,898	-	-	-	-	(2,898)	-	-
Net investment of long-term debt	614	-	-	-	-	-	(614)	-	-
Net purchase of tangible capital assets	210	649	-	-	-	(809)	(50)	-	-
Transfer to Restricted Capital Reserve	-	-	138	-	-	-	(138)	-	-
Transfer Affordable surplus to Capital Reserve	-	8,426	-	-	-	-	(8,426)	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 71,934</b>	<b>\$ 17,637</b>	<b>\$ 690</b>	<b>\$ 605</b>	<b>\$ 5,317</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 96,183</b>	<b>\$ 86,211</b>

*See accompanying notes to the financial statements*



**GEF SENIORS HOUSING**  
**CONSOLIDATED SERVICE PROGRAMS**

**Statement of Cash Flows**

*Year ended December 31, 2024*

*(In thousands)*

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 9,972	\$ 1,518
Amortization of tangible capital assets	4,026	4,003
Write off of work in progress	122	1,053
Gain on sale of tangible capital asset	(2,896)	(4)
Fair value of contributed land and building	-	(2,666)
Net changes in non-cash working capital:		
Decrease (increase) in current assets	(203)	473
(Decrease) increase in current liabilities	90	(900)
	11,111	3,477
FINANCING ACTIVITIES		
Repayment of long-term debt	(614)	(592)
	(614)	(592)
INVESTING ACTIVITIES		
Repayment of loan receivable	9	8
Redemption (purchase) of short-term investments	-	7,621
Purchase of tangible capital assets	(342)	(158)
Proceeds on sale of tangible capital assets	2,906	4
	2,573	7,475
INCREASE IN CASH DURING THE YEAR	13,071	10,360
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,429	2,069
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 25,500	\$ 12,429

*See accompanying notes to the financial statements*

# GEF SENIORS HOUSING CONSOLIDATED SERVICE PROGRAMS

## 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 construction of buildings; and
  - Donations made through specific bequests used for purposes specified by the donor.

### Note 2

#### Significant 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 the operations of the Lodge Program, Affordable Housing Program, and Resident Quality of Life Program.

The Management Body manages senior citizen housing owned by the City of Edmonton, the Province of Alberta and the Management Body. This housing is primarily administered by two distinct and separate programs under the Alberta Housing Act (1994) and its regulations. These programs are the lodge program and self-contained apartment program.

The self-contained apartment program has not been consolidated in these financial statements. All revenue, expenses, assets, liabilities and net assets of this program are excluded from these financial statements due to the lack of control the Management Body's Board of Directors has over its strategic policies, and, in particular, the use of reserves and accumulated surplus. Financial statements of this program are available upon request. Financial summaries of this program as at December 31, 2024 and 2023 and for the years then ended are as follows:

Financial position	2024	2023
Total assets	\$ 7,114	\$ 5,137
Total liabilities	7,114	5,137
Total net assets	nil	nil
	\$ 7,114	\$ 5,137

**GEF SENIORS HOUSING  
CONSOLIDATED SERVICE PROGRAMS**

**Notes to the Financial Statements**

Year ended December 31, 2024

(In thousands)

**Note 2**

Significant Accounting  
Policies (continued)

<b>Basis of Presentation (continued)</b>	<b>2024</b>	<b>2023</b>
<b>Results of operations</b>		
Total Revenue	\$ 19,475	\$ 17,704
Total expenses (including fees charged by the Foundation for maintenance and administration \$1,493 (2023 - \$2,856))	16,456	15,663
Excess of revenues over expenses	<u>\$ 3,019</u>	<u>\$ 2,041</u>
<b>Cash flows</b>		
Cash from (used by) operating activities	\$ 1,662	\$ (1,390)
Cash used by financing and investing activities	952	1,612
Increase in cash during the year	<u>\$ 2,614</u>	<u>\$ 222</u>

The fees charged by the Foundation are received in the normal course of operations.

**Cash and cash equivalents**

Cash and cash equivalents 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.

**GEF SENIORS HOUSING  
CONSOLIDATED SERVICE PROGRAMS**

**Notes to the Financial Statements**

*Year ended December 31, 2024*

*(In thousands)*

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**Note 2**

Significant Accounting  
Policies (continued)

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**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 accordance with 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.

The Management Body's internally restricted funds are comprised of:

*Capital Reserve*

The Capital Reserves are designated for all capital expenditures. Funding of and expenditures from these reserves require approval: (1) Lodge Program - City of Edmonton and Board of Directors; (2) Affordable Housing Program - Board of Directors.

*Operating Reserve*

The restricted operating reserve is designated for Lodge Program which covers major unforeseen expenditures and major unbudgeted expenditures.

*Resident Quality of Life Reserves*

The resident quality of life reserve is designated for funds raised by residents for resident programs and the Building for Life community campaign as well as the funds donated by residents through specific bequests. The resident quality of life expenditures and specific bequest donations do not require the Board of Directors approval; however expenditures for the purpose of the Building for Life community campaign do require the Board of Directors approval.

## GEF SENIORS HOUSING CONSOLIDATED SERVICE PROGRAMS

### Notes to the Financial Statements

Year ended December 31, 2024

(In thousands)

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#### Note 2

Significant Accounting

Policies (continued)

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##### 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 Management Body 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 Management Body initially measures its financial assets and financial liabilities at fair value.

The Management Body 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, due from GEF - Seniors Self-Contained and long-term receivables.

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

###### 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.

##### Use of Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards Not-for Profit for 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.

# **GEF SENIORS HOUSING CONSOLIDATED SERVICE PROGRAMS**

## **Notes to the Financial Statements**

Year ended December 31, 2024

(In thousands)

### **Note 3**

Cash and cash  
equivalents

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**

Loan Receivable

	2024	2023
<b>Primrose Place Family Centre</b>		
Loan receivable bearing interest at 3.87%, repayable in monthly blended payments totaling \$814. The loan matures in December 2027 and secured by an air conditioner unit.	28	36
	28	36
Less: current portion of loan receivable	(9)	(8)
	<u>\$ 19</u>	<u>\$ 28</u>

### **Note 5**

Tangible Capital  
Assets

	Cost	Accumulated Amortization	2024 Net	2023 Net
Land	\$ 2,815	\$ -	\$ 2,815	\$ 2,815
Land Improvement	1,658	919	739	847
Buildings	116,507	39,078	77,429	80,571
Building improvements	6,084	5,280	804	1,051
Construction in progress	243	-	243	393
Equipment	6,086	4,196	1,890	2,011
Furniture	1,858	1,595	263	312
	<u>\$ 135,251</u>	<u>\$ 51,068</u>	<u>\$ 84,183</u>	<u>\$ 88,000</u>

### **Note 6**

Deferred Revenues

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	\$ 49	\$ 674	\$ (657)	\$ 66

**GEF SENIORS HOUSING**  
**Consolidated Service Programs**  
**Notes to the Financial Statements**  
Year ended December 31, 2024  
(In thousands)

**Note 7**  
Long-Term Debt

	2024	2023
<b>Sakaw Terrace</b>		
Banker's Acceptance agreement maturing February 22, 2039 with interest rate swap agreement at a fixed rate 2.85% per annum including stamping fees of 0.90% per annum.	11,761	12,375
	11,761	12,375
Less: current portion of long-term debt payable	638	614
	<u>\$ 11,123</u>	<u>\$ 11,761</u>
Principal repayment terms are approximately:		
2025	638	
2026	661	
2027	687	
2028	713	
2029	740	
Thereafter	8,322	
	<u>\$ 11,761</u>	

**Note 8**  
Resident Quality of Life Reserve

	2024	2023
Resident quality of life fundraising	\$ 1,776	\$ 1,562
Building for Life community campaign	3,245	2,487
Casino and bequest donations	296	265
	<u>\$ 5,317</u>	<u>\$ 4,314</u>

**Note 9**  
Pension 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.

**GEF SENIORS HOUSING**  
**Consolidated Service Programs**  
**Notes to the Financial Statements**  
*(In thousands)*

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**Note 10**

**Related Party  
Transactions**

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The Management Body is related to GEF Seniors Housing - Seniors Self-Contained Operations through a common management team.

Included in due from Seniors Self Contained Operations is \$988 receivable (2023 - \$450 payable) for administration support and payroll.

During the year, the program received \$1,493 (2023 - \$1,479) 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 11**

**Risk Management**

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The Management Body's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, due to (from) GEF - Seniors Self-Contained, long-term debt, loan receivable, and tenants' security deposits.

The Management Body 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 Management Body is exposed to credit risk from its tenants. The Management Body has a significant number of tenants which minimizes concentration of credit risk.

*Interest rate risk*

interest rate risk is the risk that the fair value of a financial instrument will be impacted by changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the Management Body manages exposure through its normal operating and financing activities. The Management Body is exposed to interest rate price risk as long-term debt bear interest at fixed rates.

*Liquidity risk*

Liquidity risk is the risk that the Management Body 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 Management Body not being able to liquidate assets in a timely manner at a reasonable price. The Management Body 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**  
**Consolidated Service Programs**  
**Notes to the Financial Statements**  
*(In thousands)*

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**Note 12**

Annual Budget  
Surplus

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

- (a) The Management Body'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 Management Body'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 the Management Body and the City have agreed are not part of the City's funding responsibility.
- (c) Items excluded in the Management Body'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 the Management Body and the City have agreed are part of the City's funding responsibility.

The 2024 surplus was calculated as follows:

Excess of revenues over expenditures of the Lodge Program Fund:	\$ (852)
Less:	
Tangible capital assets amortization	1,689
Equipment purchases excluding major capital projects	(292)
Approved funding from General Reserve	-
Transfer of interest, net of bank charges on capital bank account to	(19)
<u>Total operating annual surplus</u>	<u>\$ 526</u>

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 13**

**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.