SILVERA FOR SENIORS

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

RSM

INDEPENDENT AUDITOR'S REPORT

To the Member of Silvera For Seniors

Opinion

We have audited the financial statements of Silvera For Seniors (the "Organization"), 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 Organization 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 Organization 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.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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 28, 2025
Calgary, Alberta

SILVERA FOR SENIORS

Statement of Financial Position

As at December 31, *(in thousands of dollars)*	**2024**	2023
Assets		
Current		
Cash and cash equivalents	**$4,262**	$1,556
Accounts receivable (notes 3, 4)	**3,526**	3,576
Asset held for sale (note 7)	**1,204**	-
Prepaid expenses and deposits	**712**	269
	9,704	5,401
Non-current		
Cash held in trust (note 5)	**902**	786
Restricted cash and term deposits (note 6)	**7,558**	11,408
Capital assets (note 7)	**148,425**	139,281
	$166,589	$156,876
Liabilities		
Current		
Accounts payable and accrued liabilities	**$6,528**	$3,830
Deferred contributions (note 8)	**2,152**	1,186
Current portion of long-term debt (note 11)	**277**	2,396
Deferred capital contributions (note 9)	**7,127**	12,214
	16,084	19,626
Non-current		
Escalating lease obligations (note 15)	**127**	16
Deferred tenant improvement inducements (note 16)	**701**	-
Trust liabilities	**917**	791
Unamortized deferred capital contributions (note 10)	**35,215**	24,786
Long-term debt (note 11)	**33,027**	30,214
	86,071	75,433
Commitments & Contingencies (notes 7, 15 & 17)		
Net assets		
Restricted (note 12)	**9,206**	11,317
Unrestricted	**71,312**	70,126
	80,518	81,443
	$166,589	$156,876

See accompanying notes to the financial statements

On behalf of the Board:

"Signed" Director
PAUL TAYLOR

"Signed" Director
BRUCE STEWART

Statement of Changes in Net Assets

Year ended December 31 *(in thousands of dollars)*	**Restricted**	**Unrestricted**	**2024**	2023
Balance, beginning of year	**$11,317**	**$70,126**	**$81,443**	$83,218
Deficiency of revenue over expenses	**-**	**(925)**	**(925)**	(1,775)
Transfers (Note 12)	**(2,111)**	**2,111**	**-**	-
Balance, end of year	**$9,206**	**$71,312**	**$80,518**	$81,443

See accompanying notes to the financial statements

Statement of Operations

Year ended December 31 *(in thousands of dollars)*	**2024**	2023
Revenue		
Operating	**$23,541**	$21,094
Interest income	**453**	587
Amortization of deferred capital contributions (note 10)	**2,916**	2,213
Other	**1,109**	1,238
	28,019	25,132
Government funding		
City of Calgary	**8,563**	8,185
Government of Alberta	**4,813**	3,819
	13,376	12,004
	41,395	37,136
Expenses		
Operating	**13,163**	11,943
Wages, benefits and employee costs	**22,519**	21,081
Administration	**76**	124
Long-term debt interest	**1,095**	1,213
Depreciation (note 7)	**5,417**	4,870
Other	**50**	227
	42,320	39,458
Deficiency of revenue over expenses, before undernoted item	**(925)**	(2,322)
Gain on sale of land	**-**	547
Deficiency of revenue over expenses	**$(925)**	$(1,775)

See accompanying notes to financial statements

SILVERA FOR SENIORS

Statement of Cash Flows

Year ended December 31 *(in thousands of dollars)*	**2024**	2023
Operating Activities		
Deficiency of revenue over expenses	**$(925)**	$(1,775)
Non-cash adjustments to reconcile deficiency of revenue over expenses to operating cash flow:		
Amortization of deferred capital contributions (note 10)	**(2,916)**	(2,213)
Amortization of deferred financing fees	**147**	152
Revenue transferred from deferred capital contributions (note 9)	**-**	(51)
Interest on long-term receivable	**(120)**	(356)
Forgivable loan	**(33)**	-
Gain on sale of land	**-**	(547)
Depreciation (note 7)	**5,417**	4,870
Other	**212**	85
Net change in non-cash operating working capital (note 13)	**106**	519
Net cash provided by operating activities	**1,888**	684
Investing Activities		
Purchase of capital assets (note 7)	**(15,815)**	(15,487)
Proceeds from VTB mortgage receivable (note 4)	**3,000**	6,000
Decrease (increase) in restricted cash and term deposits	**3,816**	(1,711)
Net change in non-cash investing capital	**417**	(221)
Net cash used in investing activities	**(8,582)**	(11,419)
Financing Activities		
Issuance of long-term debt	**2,981**	10,740
Repayment of long-term debt	**(2,401)**	(8,195)
City of Calgary lifecycle projects	**5,835**	1,329
City of Calgary Grant	**1,219**	1,241
Rapid Housing Initiative	**-**	7,037
Alberta Housing Partnership Program	**680**	-
Government of Alberta Grant	**352**	-
Deferred tenant improvement inducement	**701**	-
Other	**33**	-
Net cash provided by financing activities	**9,400**	12,152
Net increase in cash during the year	**2,706**	1,417
Cash and cash equivalents, beginning of year	**1,556**	139
Cash and cash equivalents, end of year	**$4,262**	$1,556

See accompanying notes to financial statements

Schedule of Revenue and Expenses After Government Grants

Year ended December 31 *(in thousands of dollars)*	Revenue excluding Government Grants	Expenses	Operating Surplus (Deficit)	Provincial Grants	Surplus (Deficit) after Provincial Grants	Municipal Grants	2024 Surplus (Deficit) after Government Grants	2023 Surplus (Deficit) after Government Grants
Municipal Lodge Program								
Aspen Commons	$ 6,010	$ 7,146	$ (1,136)	$ -	$ (1,136)	$ -	$ (1,136)	$ (782)
Beaverdam Commons	1,291	2,031	(740)	-	(740)	-	(740)	(696)
Bow Valley Commons	1,151	2,035	(884)	-	(884)	-	(884)	(755)
Confederation Park Commons	48	84	(36)	-	(36)	-	(36)	(64)
Gilchrist Commons	2,449	3,293	(844)	-	(844)	-	(844)	(1,170)
Shouldice Commons	1,730	2,171	(441)	-	(441)	-	(441)	(710)
Shawnessy Commons	1,192	1,776	(584)	-	(584)	-	(584)	(604)
Spruce Commons	3,112	3,985	(873)	-	(873)	-	(873)	(682)
Valleyview Commons	17	(13)	30	-	30	-	30	(125)
Lodge Grant & Admin	107	7,053	(6,946)	4,750	(2,196)	8,563	6,367	6,037
	$ 17,107	$ 29,561	$ (12,454)	$ 4,750	$ (7,704)	$ 8,563	$ 859	$ 449
Silvera Mixed Income								
Livingston	656	969	(313)	-	(313)	-	(313)	(154)
Varsity Estates Village	727	850	(123)	-	(123)	-	(123)	(76)
Vista Apartments	1,352	1,584	(232)	-	(232)	-	(232)	105
Westview Town Suites	3,333	3,670	(337)	-	(337)	-	(337)	(1,266)
Westview Residence West	1,323	1,170	153	-	153	-	153	(771)
Willow Park on the Bow	2,650	2,364	286	-	286	-	286	275
Mixed Income Admin	871	2,152	(1,281)	63	(1,218)	-	(1,218)	(884)
	10,912	12,759	(1,847)	63	(1,784)	-	(1,784)	(2,771)
Gain on sale of land	-	-	-	-	-	-	-	547
	$ 28,019	$ 42,320	$ (14,301)	$ 4,813	$ (9,488)	$ 8,563	$ (925)	$ (1,775)

SILVERA FOR SENIORS

Schedule of Capital Assets and Related Unamortized Deferred Capital Contributions

As at December 31 *(in thousands of dollars)*	2024 Building & Building Systems	Building Fixtures, Fittings & Flooring	Equipment	Vehicles	Land	WIP	NBV	Unamortized Deferred Capital Contributions	2023 NBV	Unamortized Deferred Capital Contributions
Municipal Lodge Program										
Aspen Commons	$7,633	$384	$428	$-	$-	$2,652	$11,097	$4,053	$9,710	$3,424
Beaverdam Commons	439	229	16	-	-	1,678	2,362	423	958	19
Bow Valley Commons	16	264	13	-	-	974	1,267	489	352	519
Gilchrist Commons	28	1,269	214	-	-	98	1,609	1,552	1,820	1,779
Shouldice Commons	-	34	7	-	-	372	413	4	758	5
Shawnessy Commons	16	19	19	-	-	1,034	1,088	96	66	93
Spruce Commons	5,507	258	62	-	-	729	6,556	2,922	6,352	2,107
	13,639	2,457	759	-	-	7,537	24,392	9,539	20,016	7,946
Silvera Mixed Income										
Bow Valley Lands	-	-	-	-	1,324	641	1,965	-	3,061	-
Livingston	16,750	302	473	-	-	81	17,606	9,869	16,530	-
Varsity Estates Village	2,231	-	-	-	16,522	271	19,024	-	18,902	-
Vista Apartments	13,378	-	293	-	4,835	-	18,506	9,209	19,085	9,746
Westview Town Suites	12,201	927	139	31	2,860	164	16,322	205	14,384	221
Westview Residence West	18,637	145	1,035	-	1,380	1,200	22,397	140	22,200	-
Westview Vacant Land	-	-	-	-	3,264	920	4,184	76	5,295	84
Willow Park on the Bow	17,578	21	38	-	-	1,546	19,183	6,177	19,339	6,767
	80,775	1,395	1,978	31	30,185	4,823	119,187	25,676	118,796	16,818
Administration	101	705	237	17	3,764	22	4,846	-	469	22
Total 2024	$94,515	$4,557	$2,974	$48	$33,949	$12,382	$148,425	$35,215	$139,281	$24,786
Total 2023	$75,972	$3,702	$3,406	$59	$35,121	$21,021	$139,281	$24,786		

1. Nature of Operations

Silvera for Seniors ("Silvera" or the "Organization") was chartered in 1962 and operates under the Alberta Housing Act to provide, with assistance from community services, affordable and market housing for senior citizens who are functionally independent. The Organization is a Housing Management Body, pursuant to a Ministerial Order and is also a registered charity and therefore is not taxable under the Income Tax Act (Canada). The Organization operates with significant financial support of the City of Calgary (it's member) and the Government of Alberta.

Silvera operates 1,808 suites in three portfolios.

- Municipal lodges – 779 suites in seven supportive living lodges that are managed in accordance with the Ministerial Order with operating deficiencies and capital maintenance funded by the City of Calgary.
- Seniors Self-contained apartments – 499 self-contained suites in sixteen buildings owned by the Government of Alberta established to provide affordable housing to low-income Alberta senior citizens who are the most in need. The self-contained suites are managed in accordance with the Ministerial Order, for a fee which is determined on a cost reimbursement basis. These operations are not included in these Financial Statements. The 2024 administrative charge to Government of Alberta was $1,427 (2023 - $1,077) and is included as a reduction of operating expenses. At December 31, 2024, amounts receivable were $173 (2023 – payable of $194). These are related party transactions in the normal course of operations, are recorded at the agreed upon exchange amount and have no fixed terms of repayment.

  In December 2024 the Government of Alberta announced that Silvera would add 526 suites in nine buildings in the City of Calgary to its Senior Self-contained apartment portfolio effective April 1, 2025. These buildings are like the buildings Silvera already manages on behalf of the Government of Alberta.
- Silvera Mixed Income – 530 suites that are a mix of market townhouses (39 suites), mid-market supportive living (92 suites), seniors affordable housing apartments (321 suites) and seniors market apartments (78 suites).

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Accounting Handbook, which sets out generally accepted accounting principles for not-for-profit and charitable organizations and includes the significant accounting policies set out below.

Revenue Recognition
The Organization follows the deferral method of accounting for contributions, which includes funding from the City of Calgary and the Government of Alberta, whereby contributions restricted for future expenses are deferred and recognized as revenue in the period that the related expenses are incurred. Contributions that are restricted for the purchase of depreciable capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired asset. Contributions for the purchase of land or capital assets not subject to depreciation are recorded as direct increases to net assets. Unrestricted contributions are

recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured.

Operating revenue represents rental revenue and revenue from resident services. Rental revenue is from operating leases as the terms of the lease are for one year or less and are recognized as income on a straight-line basis over the term of the lease on an accrual basis once the tenant commences occupancy. Resident services include dining, housekeeping, parking, cable and internet and are recognized when the services are provided, and collection is reasonably assured. Interest income is recognized based on the passage of time when collectability is reasonably assured.

Capital Assets
Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. Betterments which extend the estimated useful life or enhance the service potential of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value and the write down is recorded in the statement of operations. A write down shall not be reversed.

Assets under development and intended as rental properties include costs directly attributable to the construction of the new property including planning and design, engineering, legal fees and borrowing costs on specific debt attributed to construction. These assets are not depreciated until construction is substantially complete and the assets are ready for use.

Land acquired or held for future development, which has a known end use as rental property and is not held for sale, is included in capital assets.

Capital assets are depreciated on a straight-line basis over their estimated useful lives reflected in the following table:

Assets	Years
Buildings	40
Building systems	15
Building fixtures, fittings and flooring	10
Vehicles	10
Leasehold improvements	10
Intangibles	5
Equipment	5

Contributed Materials and Services
The work of the Organization is dependent on the voluntary services of many organizations and individuals. Since these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, these voluntary services are not recognized in these financial statements. Contributed materials that would otherwise be paid for by the Organization are recorded at fair value when received.

Cash and Cash Equivalents and Cash Held in Trust

Cash and cash held in trust includes cash on deposit. Cash equivalents consist of short-term investments with a maturity of approximately three months or less.

Restricted Cash and Term Deposits

Restricted cash and term deposits include cash on deposit and guaranteed investment certificates with maturities of twelve months or less.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from such estimates by a material amount. The significant estimates are useful lives of the capital assets and provisions for contingencies.

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 Organization has insufficient information to apply defined benefit plan accounting.

Financial Instruments

The Organization's financial instruments consist of cash and cash equivalents, accounts receivable, cash held in trust, restricted cash and term deposits, accounts payable and accrued liabilities, trust liabilities and long-term debt. The carrying value of financial assets and liabilities held at December 31, 2024, other than long-term debt, approximates their fair value due to the relatively short periods to maturity. The fair value of long-term debt is determined by discounting the future contractual cash flows under the financing arrangement at discount rates which represent rates presently available to the Organization for long-term debt with a similar term and maturity.

The Organization initially records a financial instrument that was originated, issued or assumed in an arm's length transaction at fair value. Related party debt or equity instruments that are quoted in an active market, debt instruments with observable inputs and derivative instruments are also initially recorded at fair value.

Related party financial instruments that have repayment terms are initially recorded at cost, representing the undiscounted cash flows of that instrument, excluding interest and dividend payments. Related party financial instruments that do not have repayment terms are recorded at cost, determined using the consideration transferred or received. If the consideration transferred or received has repayment terms, then the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, of the financial instrument transferred as consideration. If, however, the consideration transferred is an asset or liability that does not have repayment terms, the cost is initially recognized at the carrying or exchange amount of the consideration transferred or received, depending on the circumstances. The exchange amount is used when the transaction is in the normal course of operations or the transaction is not in the normal course of operations but has commercial substance, the change in ownership interest is substantive and the amount of consideration transferred or received is supported by independent evidence. Otherwise, the consideration transferred or received is recorded at the carrying amount.

(All amounts in thousands of dollars unless otherwise stated)

For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

The Organization uses the effective interest rate method to amortize any premiums, discounts, transaction costs and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, restricted cash and term deposits, accounts receivable, accounts payable and accrued liabilities and long-term debt.

When there are indications of possible impairment of financial assets measured at cost and amortized cost, the Organization determines if there has been a significant adverse change to the expected timing or amounts of future cash flows expected from the financial asset. The amount of any impairment loss is determined by comparing the carrying amount of the financial asset with the highest of three amounts:

[i] For an arm's length financial asset, the present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset, and for a related party financial debt instrument, the undiscounted cash flows expected to be generated by holding the asset, excluding interest and dividend payments;

[ii] The amount that could be realized by selling the asset at the date of the balance sheet; and

[iii] The amount the Organization expects to realize by exercising its right to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

Impairment of related party equity instruments is determined as the amount that could be realized by selling the asset at the balance sheet date.

A previously recognized impairment loss is reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized, but the adjusted carrying amount of the financial asset shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

Forgiveness of all or part of a related party financial asset can only occur after assessing for and recognizing any impairment. This forgiveness is then recognized in the statement of operations.

3. Accounts Receivable

	2024	2023
Current portion of long-term receivable (note 4)	**$ -**	$2,880
City of Calgary	**1,979**	135
Government of Alberta	**286**	284
GST Receivable	**245**	84
Other	**1,016**	193
	$3,526	$3,576

(All amounts in thousands of dollars unless otherwise stated)

4. Long-Term Receivable

In 2020, the Jacques Lodge site was sold for total proceeds of $30.0 million with Silvera providing an interest-free Vendor Take Back ("VTB") mortgage to the purchaser. The present value of the future payments was discounted using an effective interest rate of 4.1%. At December 31 the discounted value of the VTB mortgage receivable was as follows:

	2024	2023
Discounted value of VTB	**$-**	$2,880
Current portion of long-term receivable	**-**	2,880
Long-term receivable	**$-**	$-

During 2024, the Organization received $3,000 against the VTB mortgage.

5. Cash Held in Trust

	2024	2023
Government of Alberta seniors self-contained apartments	**$242**	$232
Resident security deposits	**660**	554
	$902	$786

Cash held in trust relates to resident security deposits and operating cash for Government of Alberta self-contained apartments. These amounts are classified as a long-term asset as the cash is not available for Silvera's current use due to the ongoing nature of the relationships.

6. Restricted Cash and Term Deposits

	2024	2023
Cash	**$4,792**	$8,625
Term deposits	**2,766**	2,783
	$7,558	$11,408

Term deposits bear interest at rates ranging from 3.3% to 5.0% per annum (2023 – 3.0% to 5.2%) and mature between May 23, 2025, to Oct 10, 2025 (2023 – July 5, 2024, and October 10, 2024). The Organization has restricted certain cash and term deposits held for the purposes of maintaining replacement reserves to ensure that the Organization-owned properties are properly maintained; operating reserves to enable the Organization to mitigate operational risk; and capital development reserves to meet long-term housing needs that are compatible with its mandate (note 12).

Notes to the Financial Statements
As at and for the year ended December 31, 2024
(All amounts in thousands of dollars unless otherwise stated)

7. Capital Assets

	Land	Building & Building Systems	Building Fixtures, Fittings & Flooring	Equipment	Vehicles	Work in Progress	Total
As at December 31, 2024							
Cost							
Opening Balance	**$35,121**	**$108,615**	**$6,598**	**$7,755**	**$233**	**$21,021**	**$179,343**
Additions	**32**	**22,446**	**1,331**	**645**	**-**	**(8,639)**	**15,815**
Disposals	**(1,204)**	**-**	**(380)**	**-**	**-**	**-**	**(1,584)**
Closing Balance	**$33,949**	**$131,061**	**$7,549**	**$8,400**	**$233**	**$12,382**	**$193,574**
Accumulated Depreciation							
Opening Balance	**$-**	**$32,643**	**$2,896**	**$4,349**	**$174**	**$-**	**$40,062**
Additions	**-**	**3,903**	**426**	**1,077**	**11**	**-**	**5,417**
Disposals	**-**	**-**	**(330)**	**-**	**-**	**-**	**(330)**
Closing Balance	**$-**	**$36,546**	**$2,992**	**$5,426**	**$185**	**-**	**$45,149**
Net Book Value	**$33,949**	**$94,515**	**$4,557**	**$2,974**	**$48**	**$12,382**	**$148,425**

	Land	Building & Building Systems	Building Fixtures, Fittings & Flooring	Equipment	Vehicles	Work in Progress	Total
As at December 31, 2023							
Cost							
Opening Balance	$35,221	$104,866	$5,915	$7,660	$268	$10,477	$164,407
Additions	-	3,761	958	224	-	10,544	15,487
Disposals	(100)	(12)	(275)	(129)	(35)	-	(551)
Closing Balance	$35,121	$108,615	$6,598	$7,755	$233	$21,021	$179,343
Accumulated Depreciation							
Opening Balance	$-	$29,253	$2,726	$3,467	$178	$-	$35,624
Additions	-	3,402	447	1,003	18	-	4,870
Disposals	-	(12)	(277)	(121)	(22)	-	(432)
Closing Balance	$-	$32,643	$2,896	$4,349	$174	$-	$40,062
Net Book Value	$ 35,121	$75,972	$ 3,702	$3,406	$59	$21,021	$139,281

Work in progress additions are net of transfers to other capital assets that became available for use in the year. Work in progress assets are not subject to amortization as they are not yet available for use. Included in Building & Building Systems are leasehold improvements, which have not been amortized in the current year, as they were not in service as at December 31, 2024. Included in Equipment are intangible assets.

(All amounts in thousands of dollars unless otherwise stated)

Capital additions include borrowing costs on debt directly related to the construction or development of capital assets. Total borrowing costs capitalized in 2024 were $- (2023 - $13).

In December 2023 Silvera signed an agreement to sell two vacant lots in the community of Bridgeland in the City of Calgary that were not part of the organizations plan for future development for total proceeds of $18.0 million. The two vacant lots have a book value of $2,518 of which the first vacant lot is $1,204 and is expected to be sold in 2025. The sale conditions have been satisfied and Silvera expects to receive approximately $8.7 million of the proceeds in 2025 and $9.3 million of the proceeds in 2027. These proceeds will be partially offset by real estate, legal and other related fees to complete the transaction.

8. Deferred Contributions

Deferred contributions relate to amounts received, or receivable, that will fund specific future operating activities. When the specified operating activity is completed, the deferred amounts are recognized as revenue to offset the related expense. If the contributions are to be used for the specified capital asset project, the amounts are transferred to deferred capital contributions (see note 9).

Changes in deferred contributions are as follows:

	2024	2023
Beginning of year	**$1,186**	$1,777
Additions	**1,521**	462
Transferred to revenue or unamortized deferred capital contribution	**(555)**	(1,053)
	$2,152	$1,186

9. Deferred Capital Contributions

Deferred capital contributions relate to amounts received, or receivable, that will fund specific future capital projects. When the specified capital project is completed, the deferred amounts are transferred to unamortized deferred capital contributions and amortized over the useful life of the related capital asset.

Changes in deferred capital contributions are as follows:

	2024	2023
Beginning of year	**$12,214**	$3,831
City of Calgary Rapid Housing Initiative funding	**-**	7,037
City of Calgary grants	**1,219**	1,241
City of Calgary lifecycle grants	**5,835**	1,327
Alberta Housing Partnership Program	**680**	-
Government of Alberta grant	**352**	-
Transferred to revenue	**-**	(51)
Transferred to unamortized deferred capital contributions (note 10)	**(13,173)**	(1,171)
	$7,127	$12,214

(All amounts in thousands of dollars unless otherwise stated)

In 2023, Silvera entered into two funding agreements with the City of Calgary. One agreement was under the Government of Canada's Rapid Housing Initiative and the second agreement was a capital grant from the City of Calgary. The funding from both agreements as well as a contribution from the Organization supported the building of a 35-suite senior's self-contained apartment building in the community of Livingston in the City of Calgary, providing affordable housing to the most vulnerable Canadians. Under the agreements the City of Calgary contributed $7,037 from the Rapid Housing Initiative funding and $2,560 from the City of Calgary capital grant. Silvera will receive the unencumbered title for the property upon the agreement's expiry which will be forty years from the date of the first occupancy permit which was in 2024. During the term of the agreements the Organization is required to maintain certain operating and reporting requirements and the property is to be used for the purpose of providing affordable housing for people and populations who are vulnerable and meet the affordability criteria defined in the agreement.

In 2024 Silvera entered into a grant funding agreement with the Government of Alberta under the Alberta Housing Partnership Program for proceeds of $680. The grant was used to fund the construction of 12 suites as part of the Livingston Terrace Apartments project. During the twenty-year term of the agreements the Organization is required to maintain certain operating and reporting requirements and the property is to be used for the purpose of providing affordable housing for people and populations who are vulnerable and meet the affordability criteria defined in the agreement.

10. Unamortized Deferred Capital Contributions

Unamortized deferred capital contributions relate to amounts received for the purchase of capital assets which are currently in use.

Changes in unamortized deferred capital contributions are as follows:

	2024	2023
Beginning of year	**$24,786**	$25,750
Transferred from deferred capital contributions (note 9)	**13,173**	1,171
Transferred from deferred contributions	**172**	78
Recognized to amortize capital assets	**(2,916)**	(2,213)
	$35,215	$24,786

In 2021, Silvera entered into a funding agreement for Vista Apartments with the City of Calgary under the Government of Canada's Rapid Housing Initiative to provide affordable housing to the most vulnerable Canadians. Silvera will receive the unencumbered title for the property upon the agreement's expiry on March 1, 2042. During the term of the agreement the Organization is required to maintain certain operating and reporting requirements and the property is to be used for the purpose of providing affordable housing for people and populations who are vulnerable and meet the affordability criteria defined in the agreement. This project was completed and is being amortized over the life of the asset.

(All amounts in thousands of dollars unless otherwise stated)

11. Long-term Debt

	2024	2023
BMO MLI Select	**$8,419**	$8,455
City of Calgary non-revolving credit facility	**8,099**	8,099
Vendor takeback mortgage	**-**	2,052
CMHC Financing - Westview Residence West	**13,695**	13,894
CMHC Financing - Livingston	**2,981**	-
CMHC seed loans	**110**	110
	33,304	32,610
Less current portion	**277**	2,396
	$33,027	$30,214

Long-term Debt is comprised of the following:

BMO MLI Select - In 2023, the Organization entered into a fixed rate term loan with a major Canadian Chartered Bank to repay the non-revolving term credit facility which matured in 2023 and was in place for the Westview Town Suites renovation project. Total proceeds were $8,781. This was offset by costs to secure the loan totalling $308. The loan matures on July 2, 2033, bears interest at 4.33% per annum and is amortized over 45 years. The loan is repayable in monthly blended principal and interest payments of $37 during the loan term. The loan is secured by a first collateral mortgage over Silvera's Willow Park on the Bow property, an assignment of contracts and all insurance policies regarding the property.

City of Calgary non-revolving credit facility - In 2022 the Organization entered into a non-revolving credit facility agreement with the City of Calgary. Funds from the issuance of a promissory note under the City of Calgary non revolving credit facility were used to repay a vendor take back Promissory Note which was part of the purchase of Varsity Estates Village in 2020. The Promissory Note proceeds were $8,099 with an interest rate of 4.31% per annum and interest only payments payable semi annually on March 15 and September 15. An administration fee of 0.25% is charged on any outstanding balances and is paid semi annually. The maximum amount available under the non-revolving credit facility is $8,099. The promissory note matures on September 15, 2027. The promissory note is secured by a fixed security charge over the townhouses and land.

The non-recurring credit facility contains two financial covenants and in 2024, the agreement was amended to modify the covenants as follows.

- The annual debt service coverage ratio must exceed 1.25:1 covenant was modified to the debt service coverage ratio must exceed 0.70:1 for 2024 and 1.25:1, thereafter, and
- After December 31, 2024, the net debt to net assets ratio cannot exceed 60% was modified to the net debt to capital assets ratio cannot exceed 50%.

The Organization was in compliance with both covenants at December 31, 2023 and December 31, 2024.

Vendor takeback mortgage - In 2022 Silvera entered into an agreement to purchase vacant land in the community of Livingston in northeast Calgary for a purchase price of $3,980. The vendor can repurchase portions of the land from Silvera if certain conditions related to the development of the properties is not carried out by December 31, 2029. The purchase was funded with $1,812 from the Organizations capital development reserves and a $2,168 vendor take back (“VTB”) non-interest bearing mortgage which was due December 16, 2024 from the vendor. The present value of the future payment related to the VTB non-interest-bearing mortgage was discounted using an effective interest rate of 5.50% per annum. The VTB non-interest-bearing mortgage was repaid in 2024.

CMHC Financing - Westview Residence West (“WRW”) - In 2021, the Organization secured financing with CMHC for the construction of WRW that consists of a repayable loan facility (the “CMHC Financing”) in an amount up to $14,548 and a forgivable loan in an amount up to $656. The interest rate on the repayable portion is 1.46% per annum. Security for this CMHC Financing consists of a first priority mortgage granted by the borrower, a general security agreement, first priority general assignment, an assignment of contracts and all insurance policies and a no interest letter. The CMHC Financing matures on August 1, 2031. The CMHC Financing is amortized over 50 years. Monthly blended payments of principal and interest during the loan term are $31. The forgivable loan portion is earned over 20 years beginning January 1, 2024, based on the Organization meeting certain conditions. If the conditions are not met the forgivable loan amount that has not been earned is repayable. The forgivable loan amount is included with the CMHC Financing and will be recognized into income as it is earned.

CMHC Financing - Livingston - In 2024 the Organization secured financing with CMHC for the construction of 12 suites as part of the Livingston Terrace Apartments project that consists of a repayable loan facility up to $2,876 and a forgivable loan amount of $105. The repayable loan facility is broken into two repayable loans. One repayable loan is $1,566 and bears interest at 3.87% per annum. The second repayable loan is $1,310 and bears interest at 1.46% per annum. Security consists of a first priority mortgage granted by the borrower, a general security agreement, first priority general assignment, an assignment of contracts and all insurance policies and a no interest letter. The first repayable loan matures in May 2034 and the second repayable loan matures in August 2031. The loans are both interest only and principal payments begin once the property achieves twelve months of revenue totaling approximately $167 or twelve months from the date of occupancy which was April 2024, whichever comes first. The financing is amortized over 50 years. The forgivable loan portion is earned over 20 years beginning on December 1, 2024, and based on the Organization meeting certain conditions. If the conditions are not met the forgivable loan amount that has not been earned is repayable. The forgivable loan amount will be included with the repayable financing and will be recognized into income as it is earned.

(All amounts in thousands of dollars unless otherwise stated)

The Organization has annual long-term debt repayment commitments as follows:

2025	**$ 277**
2026	**436**
2027	**8,431**
2028	**339**
2029 and thereafter	**23,821**
	$ 33,304

The Organization has letters of credit of $309 (2023 - $680) outstanding that are fully cash collateralized at December 31, 2024.

12. Restricted Net Assets

The Board of Directors may, at its discretion, restrict any excess revenue over expenses to support the future requirements of the Organization. Restricted funds are not available for unrestricted purposes without prior approval of the Board of Directors.

Restricted amounts are designated as follows:

	2024	2023
Operating		
Municipal Lodge Program	**$2,948**	$2,087
General Reserve	**355**	339
Community Engagement	**364**	364
	3,667	2,790
Capital development		
Westview Campus	**3,492**	3,390
Livingston Development	**226**	2,909
East Riverside Development	**1,821**	2,228
	5,539	8,527
Restricted net assets	**$9,206**	$11,317

13. Net Change in Non-cash Operating Working Capital

	2024	2023
(Increase) decrease in accounts receivable	**$(2,881)**	$(117)
(Increase) in prepaid expenses	**(443)**	(58)
Increase in accounts payable and accrued liabilities	**2,454**	662
Increase in deferred contributions	**966**	34
Net increase (decrease) in cash held in trust and trust liabilities	**10**	(2)
	$106	$519

(All amounts in thousands of dollars unless otherwise stated)

14. Pension Plans

The pension obligations of all qualifying permanent, full-time employees are covered though participation in the Local Authorities Pension Plan ("LAPP") which is administered by the Alberta Pensions Services Corporation. The plan is a multi-employer plan offered to various unrelated employers throughout Alberta. The responsibility for strategic direction and plan asset management is held by the LAPP Board of Directors, composed of management and labour representatives. LAPP provides a defined benefit pension based on the employees' earnings and length of service.

The most recent valuation for financial reporting purposes completed by the LAPP as at December 31, 2023 disclosed net assets available for benefits of $63.3 billion (2022 - $58.7 billion) with pension obligations of $48.3 billion (2022 - $46.1 billion) resulting in a surplus of $15.1 billion (2022 - $12.6 billion).

The Organization makes contributions to the plan based on a percentage of employee income which is set by the LAPP Board of Directors. Total pension expense for employees covered under this plan during the year was $515 (2023 - $481) and is included as an expense in wages, benefits and employee costs in the statement of operations.

The Organization sponsors a defined contribution pension plan that covers most part-time and all full-time employees not eligible to participate in LAPP. Total pension expense, for employees, covered under this plan during the year was $326 (2023 - $272) and is included as an expense in wages, benefits and employee costs in the statement of operations.

15. Commitments

The Organization rents office space under an operating lease which expires August 31, 2035. The operating lease has an initial rent-free period and then escalating payments over its term. As such, an escalating lease obligation of $127 (2023 - $16) has been recognized on the statement of financial position.

The annual lease payments under the operating lease are as follows:

2025	**$129**
2026	**387**
2027	**393**
2028	**404**
2029 and thereafter	**2,866**
	$4,179

In the ordinary course of business, the Organization uses a competitive tendering process to secure contractors at fixed prices for capital projects. At December 31, 2024 Silvera had fixed price contracts in place for capital projects to be completed in 2025 totalling $975.

Silvera has entered into fixed purchase price contracts for natural gas and electricity. The natural gas contracts expire at the end of 2027 and provide approximately 75% of Silvera's natural gas consumption at $2.545 per gigajoule. The electricity contracts expire at the end of 2025 and provide approximately 75% of Silvera's electricity consumption at a fixed price of $0.05749 per kilowatt hour.

16. Deferred Tenant Improvement Inducements

The deferred tenant improvement inducements consist of an allowance up to $904 from the Organization's landlord for leasehold improvements. As of December 31, 2024, $701 has been spent by Silvera and is included in accounts receivable at year-end. The amount is deferred and amortized into income over the life of the lease. No amortization was taken in the year as the space was not occupied until after year-end.

17. Contingencies

As part of the normal course of business, the Organization is involved in various claims and litigation. The Organization has determined that the outcome of any claims and litigation is unlikely to result in a material loss and accordingly no provisions have been recorded in the December 31, 2024 financial statements.

18. Risks and Uncertainties

There have been no changes to significant risk exposures noted below since the previous year end.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk principally associated with borrowings. Fixed rates, associated with long-term debt, introduce risk at the time of maturity.

Credit Risk
The Organization is exposed to credit risk, which is the risk that a counterparty will fail to perform an obligation or settle a liability, resulting in a financial loss to the Organization. Credit risk is assessed as low for the Organization.

The Organization's trade accounts receivable are primarily due from governments and are subject to normal credit risks. At December 31, 2024 government related accounts receivable was 64% (2023 – 12%).

The maximum credit risk exposure associated with the Organization's financial assets is the carrying amount of accounts receivable.

Liquidity Risk
The Organization is exposed to liquidity risk which is the risk that the Organization will be unable to generate or obtain sufficient cash to meet its obligations as they come due. Mitigation of this risk is achieved through active management of cash and debt. The liquidity risk is assessed as low for the Organization. Accounts payable and accrued liabilities are due within the next fiscal year.

Economic Dependence
Silvera is dependent on the City of Calgary maintaining the Municipal and Capital Lifecycle Grants. Mitigation of this risk is achieved by the Organization's ability to requisition deficits from taxpayers, but Silvera would have to fund operations in the interim.