



FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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, 2025, 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, 2025, 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

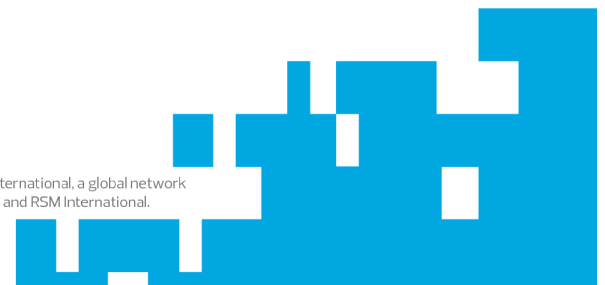
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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 27, 2026
Calgary, Alberta



Statement of Financial Position

As at December 31, <i>(in thousands of dollars)</i>	2025 Municipal Lodge	2025 Silvera Mixed income	Inter Company Amounts Owing	2025 Total	2024
Assets					
Current					
Cash and cash equivalents	\$1,019	\$3,421	\$-	\$4,440	\$4,262
Accounts receivable (note 3)	6,577	3,856	(7,370)	3,063	3,526
Asset held for sale (note 6)	-	-	-	-	1,204
Prepaid expenses and deposits	236	1,174	-	1,410	712
	7,832	8,451	(7,370)	8,913	9,704
Non-current					
Cash held in trust (note 4)	-	1,110	-	1,110	902
Restricted cash and term deposits (note 5)	-	15,424	-	15,424	7,558
Capital assets (note 6)	27,334	119,861	-	147,195	148,425
	\$35,166	\$144,846	\$(7,370)	\$172,642	\$166,589
Liabilities					
Current					
Accounts payable and accrued liabilities (note 2)	\$1,569	\$10,574	\$(7,370)	\$4,773	\$6,528
Deferred contributions (note 7)	-	1,664	-	1,664	2,152
Current portion of long-term debt (note 10)	43	326	-	369	277
Deferred capital contributions (note 8)	7,147	352	-	7,499	7,127
	8,759	12,916	(7,370)	14,305	16,084
Non-current					
Escalating lease obligations (note 14)	-	436	-	436	127
Deferred tenant improvement inducements (note 15)	-	860	-	860	701
Trust liabilities	-	1,079	-	1,079	917
Unamortized deferred capital contributions (note 9)	12,382	23,839	-	36,221	35,215
Long-term debt (note 10)	-	32,591	-	32,591	33,027
	21,141	71,721	(7,370)	85,492	86,071
Commitments & Contingencies (notes 6, 9,14 & 16)					
Net assets					
Restricted (note 11)	2,967	13,568	-	16,535	9,206
Unrestricted	11,058	59,557	-	70,615	71,312
	14,025	73,125	-	87,150	80,518
	\$35,166	\$144,846	\$(7,370)	\$172,642	\$166,589

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 <i>(in thousands of dollars)</i>	Restricted	Unrestricted	2025	2024
Balance, beginning of year	\$9,206	\$71,312	\$80,518	\$81,443
Excess (Deficiency) of revenues over expenses	19	6,613	6,632	(925)
Transfers (note 11)	7,310	(7,310)	-	-
Balance, end of year	\$16,535	\$70,615	\$87,150	\$80,518

See accompanying notes to the financial statements



Statement of Operations

Year ended December 31 <i>(in thousands of dollars)</i>	2025 Municipal Lodge	2025 Silvera Mixed Income	Inter Operational Fees	2025 Total	2024
Revenues					
Operating	\$15,657	\$9,420	-	\$25,077	\$23,541
Interest income	8	390	-	398	453
Amortization of deferred capital contributions (note 9)	1,691	1,841	-	3,532	2,916
Other	296	8,958	(7,011)	2,243	1,917
	17,652	20,609	(7,011)	31,250	28,827
Government funding					
City of Calgary	8,876	-	-	8,876	8,563
Government of Alberta	5,093	1	-	5,094	4,813
	13,969	1	-	13,970	13,376
	31,621	20,610	(7,011)	45,220	42,203
Expenses					
Operating	15,219	5,167	(7,011)	13,375	13,971
Wages, benefits and employee costs	14,325	10,015	-	24,340	22,519
Administration	3	35	-	38	76
Long-term debt interest	-	1,040	-	1,040	1,095
Depreciation (note 6)	2,055	4,869	-	6,924	5,417
Other	-	3	-	3	50
	31,602	21,129	(7,011)	45,720	43,128
Excess (deficiency) of revenues over expenses, before undernoted item	19	(519)	-	(500)	(925)
Gain on sale of land	-	7,132	-	7,132	-
Excess (deficiency) of revenues over expenses	\$19	\$6,613	-	\$6,632	\$(925)

See accompanying notes to financial statements



Statement of Cash Flows

Year ended December 31 <i>(in thousands of dollars)</i>	2025	2024
Operating Activities		
Excess (deficiency) of revenue over expenses	\$6,632	\$(925)
Non-cash adjustments to reconcile excess (deficiency) of revenue over expenses to operating cash flow:		
Amortization of deferred capital contributions (note 9)	(3,532)	(2,916)
Amortization of deferred financing fees	31	147
Interest on long-term receivable	-	(120)
Forgivable loan	(38)	(33)
Gain on sale of land	(7,132)	-
Depreciation (note 6)	6,924	5,417
Other	335	212
Net change in non-cash operating working capital (note 12)	(2,689)	106
Net cash provided by operating activities	531	1,888
Investing Activities		
Purchase of capital assets (note 6)	(8,121)	(15,815)
Proceeds from VTB mortgage receivable	-	3,000
Proceeds from Sale of Land	8,650	-
(Increase) decrease in restricted cash and term deposits	(7,866)	3,816
Net change in non-cash investing capital	2,186	417
Net cash used in investing activities	(5,151)	(8,582)
Financing Activities		
Issuance of long-term debt	-	2,981
Repayment of long-term debt	(271)	(2,401)
City of Calgary lifecycle projects	4,910	5,835
City of Calgary Grant	-	1,219
Alberta Housing Partnership Program	-	680
Government of Alberta Grant	-	352
Deferred tenant improvement inducement	159	701
Other	-	33
Net cash provided by financing activities	4,798	9,400
Net increase in cash during the year	178	2,706
Cash and cash equivalents, beginning of year	4,262	1,556
Cash and cash equivalents, end of year	\$4,440	\$4,262

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	2025 Surplus (Deficit) after Government Grants	2024 Surplus (Deficit) after Government Grants
<u>Municipal Lodge Program</u>								
Aspen Commons	\$ 6,231	\$ 7,098	\$ (867)	\$ -	\$ (867)	\$ -	\$ (867)	\$ (1,136)
Beaverdam Commons	1,469	2,115	(646)	-	(646)	-	(646)	(740)
Bow Valley Commons	1,154	1,929	(775)	-	(775)	-	(775)	(884)
Confederation Park Commons	115	117	(2)	-	(2)	-	(2)	(36)
Gilchrist Commons	2,534	3,552	(1,018)	-	(1,018)	-	(1,018)	(844)
Shouldice Commons	1,721	2,244	(523)	-	(523)	-	(523)	(441)
Shawnessy Commons	1,211	1,951	(740)	-	(740)	-	(740)	(584)
Spruce Commons	3,206	3,899	(693)	-	(693)	-	(693)	(873)
Valleyview Commons	-	-	-	-	-	-	-	30
Lodge Grant & Admin	11	8,697	(8,686)	5,093	(3,593)	8,876	5,283	6,367
	\$ 17,652	\$ 31,602	\$ (13,950)	\$ 5,093	\$ (8,857)	\$ 8,876	\$ 19	\$ 859
<u>Silvera Mixed Income</u>								
Livingston	1,032	1,386	(354)	-	(354)	-	(354)	(313)
Varsity Estates Village	738	933	(195)	-	(195)	-	(195)	(123)
Vista Apartments	1,423	1,275	148	-	148	-	148	(232)
Westview Town Suites	3,814	3,866	(52)	-	(52)	-	(52)	(337)
Westview Residence West	1,509	1,906	(397)	-	(397)	-	(397)	153
Willow Park on the Bow	2,729	2,169	560	-	560	-	560	286
Mixed Income Admin	9,364	9,594	(230)	1	(229)	-	(229)	(1,218)
	20,609	21,129	(520)	1	(519)	-	(519)	(1,784)
Gain on sale of land	7,132	-	7,132	-	7,132	-	7,132	-
Total Mixed Income	27,741	21,129	6,612	1	6,613	-	6,613	(1,784)
	45,393	52,731	(7,338)	5,094	(2,244)	8,876	6,632	(925)
Intercompany Elimination	(7,011)	(7,011)	-	-	-	-	-	-
Total Silvera	\$ 38,382	\$ 45,720	\$ (7,338)	\$ 5,094	\$ (2,244)	\$ 8,876	\$ 6,632	\$ (925)



Schedule of Capital Assets and Related Unamortized Deferred Capital Contributions

As at December 31 (in thousands of dollars)	2025							2024		
	Building & Building Systems	Building Fixtures, Fittings & Flooring	Equipment	Vehicles	Land	WIP	NBV	Unamortized Deferred Capital Contributions	NBV	Unamortized Deferred Capital Contributions
<u>Municipal Lodge Program</u>										
Aspen Commons	\$7,571	\$764	\$452	\$-	\$-	\$3,751	\$12,538	\$4,395	\$11,097	\$4,053
Beaverdam Commons	1,759	266	59	-	-	784	2,868	2,060	2,362	423
Bow Valley Commons	368	238	31	-	-	734	1,371	606	1,267	489
Gilchrist Commons	83	1,103	175	-	-	-	1,361	1,408	1,609	1,552
Shouldice Commons	327	34	32	-	-	-	393	355	413	4
Shawnessy Commons	232	14	36	-	-	2,217	2,499	311	1,088	96
Spruce Commons	5,505	206	248	-	-	345	6,304	3,247	6,556	2,922
	15,845	2,625	1,033	-	-	7,831	27,334	12,382	24,392	9,539
<u>Silvera Mixed Income</u>										
Bow Valley Lands	-	-	-	-	1,324	797	2,121	-	1,965	-
Livingston	15,696	270	400	-	30	144	16,540	9,315	17,606	9,869
Varsity Estates Village	2,125	-	-	-	16,522	536	19,183	-	19,024	-
Vista Apartments	12,903	-	191	-	4,835	115	18,044	8,673	18,506	9,209
Westview Town Suites	10,537	900	93	27	2,860	61	14,478	187	16,322	205
Westview Residence West	16,572	126	779	-	-	-	17,477	68	22,397	140
Westview Vacant Land	-	-	-	-	3,262	1,924	5,186	-	4,184	76
Willow Park on the Bow	18,247	3	93	-	-	1,683	20,026	5,596	19,183	6,177
	76,080	1,299	1,556	27	28,833	5,260	113,055	23,839	119,187	25,676
Administration	94	1,027	257	216	5,144	68	6,806	-	4,846	-
Total 2025	\$92,019	\$4,951	\$2,846	\$243	\$33,977	\$13,159	\$147,195	\$36,221	\$148,425	\$35,215
Total 2024	\$94,515	\$4,557	\$2,974	\$48	\$33,949	\$12,382	\$148,425	\$35,215		



Notes to the Financial Statements

As at and for the year ended December 31, 2025

(All amounts in thousands of dollars unless otherwise stated)

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 2,328 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 – 1,019 self-contained suites in twenty-four 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 property management charge which is determined on a cost reimbursement basis. These operations are not included in these Financial Statements. The 2025 property management charge to Government of Alberta was \$1,310 (2024 - \$808) and is included in Other revenue. At December 31, 2025, amounts receivable were \$326 (2024 – receivable of \$173).

On April 1, 2025 Silvera added 520 suites in eight buildings in the City of Calgary to its Senior Self-contained apartment portfolio. 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.



Notes to the Financial Statements

As at and for the year ended December 31, 2025

(All amounts in thousands of dollars unless otherwise stated)

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.

Other revenue represents property management fees, donations and other miscellaneous revenue. Silvera's Mixed Income portfolio charges a property management fee to the Municipal Lodge and Government of Alberta Senior Self-contained portfolios for administrative services including sales and leasing, finance, human resources, information technology and operational oversight.

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.



Notes to the Financial Statements

As at and for the year ended December 31, 2025

(All amounts in thousands of dollars unless otherwise stated)

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.

Government Remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts are due. In respect of government remittances, payroll withholding tax \$200 (2024 - \$NIL) is included in accounts payable and accrued liabilities and amounts netting to \$(50) (2024 - \$2,428) related to Goods and Services Tax recoverable/payable are included in accounts receivable and accounts payable, respectively.

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 revenues 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, 2025, 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



Notes to the Financial Statements

As at and for the year ended December 31, 2025

(All amounts in thousands of dollars unless otherwise stated)

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.

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.



Notes to the Financial Statements

As at and for the year ended December 31, 2025

(All amounts in thousands of dollars unless otherwise stated)

3. Accounts Receivable

	2025	2024
City of Calgary	\$2,028	\$1,979
Government of Alberta	400	286
GST Receivable	134	245
Other	501	1,016
	\$3,063	\$3,526

4. Cash Held in Trust

	2025	2024
Government of Alberta seniors self-contained apartments	\$380	\$242
Resident security deposits	730	660
	\$1,110	\$902

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.

5. Restricted Cash and Term Deposits

	2025	2024
Cash	\$13,050	\$4,792
Term deposits	2,374	2,766
	\$15,424	\$7,558

Term deposits bear interest at rates at 2.45% to 2.70% per annum (2024 – 3.3% to 5.0%) and mature between July 18, 2026, to October 12, 2026 (2024 – May 23, 2025, and October 10, 2025). 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 11).

The Organization is obligated under the CMHC financing agreements for Westview Residence West and Livingston (Note 10) to set aside in restricted bank accounts 4% of annual revenues from these two properties as a capital reserve. At December 31 the restricted account balances were as follows and are included in cash in the above table.

	2025	2024
Westview Residence West	\$169	\$110
Livingston	13	4
	\$182	\$114



Notes to the Financial Statements

As at and for the year ended December 31, 2025

(All amounts in thousands of dollars unless otherwise stated)

6. Capital Assets

	Land	Building & Building Systems	Building Fixtures, Fittings & Flooring	Equipment	Vehicles	Work in Progress	Total
As at December 31, 2025							
Cost							
Opening Balance	\$33,949	\$131,061	\$7,549	\$8,400	\$233	\$12,382	\$193,574
Additions	28	4,916	1,125	1,068	207	777	8,121
Disposals	-	(2,428)	-	-	(12)	-	(2,440)
Closing Balance	\$33,977	\$133,549	\$8,674	\$9,468	\$428	\$13,159	\$199,255
Accumulated Depreciation							
Opening Balance	\$-	\$36,546	\$2,992	\$5,426	\$185	\$-	\$45,149
Additions	-	4,984	731	1,196	13	-	6,924
Disposals	-	-	-	-	(13)	-	(13)
Closing Balance	\$-	\$41,530	\$3,723	\$6,622	\$185	-	\$52,060
Net Book Value	\$33,977	\$92,019	\$4,951	\$2,846	\$243	\$13,159	\$147,195

	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

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 Equipment are intangible assets. Leasehold improvements are included in Building & Building Systems.

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 \$2.5 million of which the first vacant lot was \$1.2 million. The sale of the first lot was completed in 2025 and Silvera received approximately \$8.7 million in proceeds. Proceeds



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were partially offset by real estate, legal and other related fees to complete the transaction. The purchaser of the second lot is currently in default of certain conditions and may not proceed to complete the transaction.

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.

7. Deferred Contributions

Deferred contributions relate to amounts received 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 8).

Changes in deferred contributions are as follows:

	2025	2024
Beginning of year	\$2,152	\$1,186
Additions	339	1,521
Transferred to revenue or unamortized deferred capital contribution	(827)	(555)
	\$1,664	\$2,152

8. Deferred Capital Contributions

Deferred capital contributions relate to amounts received 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:

	2025	2024
Beginning of year	\$7,127	\$12,214
City of Calgary grants	-	1,219
City of Calgary lifecycle grants	4,910	5,835
Alberta Housing Partnership Program	-	680
Government of Alberta grant	-	352
Transferred to unamortized deferred capital contributions (note 9)	(4,538)	(13,173)
	\$7,499	\$7,127



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9. 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:

	2025	2024
Beginning of year	\$35,215	\$24,786
Transferred from deferred capital contributions (note 8)	4,538	13,173
Transferred from deferred contributions	-	172
Recognized to amortize capital assets	(3,532)	(2,916)
	\$36,221	\$35,215

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.

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.



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10. Long-term Debt

	2025	2024
BMO MLI Select	\$8,380	\$8,419
City of Calgary non-revolving credit facility	8,099	8,099
CMHC Financing - Westview Residence West	13,478	13,695
CMHC Financing – Livingston	2,960	2,981
CMHC seed loans	43	110
	32,960	33,304
Less current portion	369	277
	\$32,591	\$33,027

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. Total proceeds were \$8,781 which were 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 revolving 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, 2025 and December 31, 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



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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 of \$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 were both interest only until April 1, 2025 when monthly blended payments of principal and interest of \$9 began for the duration of the loan terms. 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.

Under the CMHC Agreements for WRW and Livingston, there is an obligation to hold a capital reserve (Note 5).

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

2026	\$	369
2027		8,432
2028		340
2029		347
2030 and thereafter		23,472
	\$	32,960

The Organization has letters of credit of \$301 (2024 - \$309) outstanding that are fully cash collateralized at December 31, 2025.



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11. Restricted net assets

The Organization has established restricted and unrestricted reserves from excess revenues over expenses to support the future requirements of the Organization. These reserves are not available for other purposes and have restricted cash and investments to support the reserve balances. Certain reserves are restricted by external funders or the Board of Directors and have been designated as such.

	2025	2024
Operating Reserves		
Community Engagement	\$721	\$364
Mixed Income Operating Reserve Fund	2,000	241
Municipal Lodge Program Restricted Reserve	2,967	2,948
	5,688	3,553
CMHC Reserves Restricted		
Westview Residence West	169	110
Livingston Terrace Apartments	13	4
	182	114
Capital Reserves		
Capital Administration	1,200	-
Capital Maintenance	4,900	-
	6,100	-
Capital Growth and Investment Reserves Restricted		
General	2,900	-
Westview Campus	-	3,492
Livingston Development	-	226
East Riverside Development	1,665	1,821
	4,565	5,539
Reserved net assets	\$16,535	\$9,206

The Community Engagement fund has been established for specific projects that are for resident initiatives and is funded through donor funds.

The Mixed income Operating Reserve Fund is an emergency reserve similar to a credit facility that can be used to meet short term operating cash flow needs of the Organization.

The Municipal Lodge Program Restricted Reserve is in place to address operating deficits in the Municipal Lodge Program. It requires Board of Director approval to be used.

The CMHC Reserves Restricted are contractual obligations under the loan agreements for these two projects. The agreements require 4% of revenue to be set aside in a restricted bank account to cover future capital needs of these two properties (Note 5).



Notes to the Financial Statements

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The capital reserves have been established to meet capital maintenance needs of Silvera's Mixed Income properties and the capital requirements for the Organizations administrative function.

Capital Growth and Investment Reserves Restricted are designated for strategic long term capital asset growth and are required to be approved by the Board of Directors.

12. Net Change in Non-cash Operating Working Capital

	2025	2024
Decrease (increase) in accounts receivable	438	\$(2,881)
(Increase) in prepaid expenses and deposits	(698)	(443)
Increase (decrease) in accounts payable and accrued liabilities	(1,894)	2,454
Increase (decrease) in deferred contributions	(488)	966
Net increase in cash held in trust and trust liabilities	(47)	10
	(\$2,689)	\$106

13. Pension Plans

The pension obligations of all qualifying permanent, full-time employees are covered through 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, 2024 disclosed net assets available for benefits of \$70.7 billion (2023 - \$63.3 billion) with pension obligations of \$51.1 billion (2023 - \$48.3 billion) resulting in a surplus of \$19.6 billion (2023 - \$15.1 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 \$535 (2024 - \$515) 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 \$499 (2024 - \$326) and is included as an expense in wages, benefits and employee costs in the statement of operations.



Notes to the Financial Statements

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14. Commitments

The Organization rents office space under an operating lease which expires August 31, 2035. The operating lease had an initial rent-free period which ended on August 1, 2025 and then escalating payments over its term. As such, an escalating lease obligation of \$436 (2024 - \$127) has been recognized on the statement of financial position.

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

2026	\$442
2027	450
2028	462
2029	466
2030 and thereafter	2,812
	<u>\$4,632</u>

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, 2025 Silvera had fixed price contracts in place for capital projects to be completed in 2026 totalling \$7,127.

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 \$3.24 per gigajoule. The electricity contracts expire at the end of 2027 and provide 100% of Silvera's electricity consumption at a fixed price of \$0.07386 per kilowatt hour.

15. Deferred Tenant Improvement Inducements

The net deferred tenant improvement inducements from the Organization's landlord for leasehold improvements at December 31, 2025 was \$860 (2024 -\$701).

16. 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, 2025 financial statements.

17. 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.



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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, 2025 government related accounts receivable was 79% (2024 – 64%).

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.

18. Change in Presentation

During the year ended December 31, 2025, the Organization changed the presentation of management fees charged for property management services. In prior years, these fees were presented as a reduction of expenses. Management determined that presenting these fees as revenue more appropriately reflects their nature as consideration for services provided.