

Consolidated Financial Statements of

**TABER AND DISTRICT  
HOUSING FOUNDATION**

And Independent Auditors' Report thereon

Year ended December 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Taber and District Housing Foundation

### ***Opinion***

We have audited the consolidated financial statements of Taber and District Housing Foundation, (the Foundation) which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operating surplus (deficit) for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- the statement of operations for Clearview Lodge and Housing for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as at December 31, 2021 and its consolidated results of operations and its consolidated 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 **"Auditors' Responsibilities for the Audit of the Consolidated Financial Statements"** section of our auditors' report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the consolidated 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.



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We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional

Accountants Lethbridge, Canada

March 24, 2022

# TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	Housing	Clearview Lodge	Total 2021	Total 2020
<b>Assets</b>				
Current assets:				
Cash and short-term investments (note 2)	\$ 86,111	\$ 467,497	\$ 553,608	\$ 918,398
Accounts receivable (note 8)	11,816	125,325	137,141	169,546
Goods and services tax recoverable	24,494	42,131	66,625	46,672
Security deposits	37,670	--	37,670	36,551
Food and supplies inventory	--	38,846	38,846	48,055
Prepaid expenses	19,852	28,558	48,410	31,134
	179,943	702,357	882,300	1,250,356
Capital assets (note 3):				
Capital assets	39,942	8,053,487	8,093,429	7,698,265
Less accumulated amortization	30,836	2,851,069	2,881,904	2,669,143
	9,106	5,202,418	5,211,524	5,029,122
	\$ 189,049	\$ 5,904,775	\$ 6,093,824	\$ 6,279,478

## Liabilities and Net Assets

Current liabilities:				
Accounts payable and accrued liabilities (note 8)	\$ 94,594	\$ 214,637	\$ 309,231	\$ 343,857
Government remittances payable	--	60,286	60,286	71,400
Deferred revenue (note 4)	--	79,674	79,674	42,084
Deferred capital contributions (note 6)	28,800	18,645	47,445	47,445
Deposits payable	34,618	--	34,618	33,485
Due to Alberta Social Housing Corporation (note 5)	21,711	--	21,711	44,831
	179,723	373,242	552,965	583,102
Unamortized deferred capital contributions (note 7)	--	2,987,824	2,987,824	3,096,327
Net assets:				
Investment in capital assets	9,106	2,214,595	2,223,701	1,932,795
Available accumulated excess of revenue over expenses	220	329,114	329,334	667,254
	9,326	2,543,709	2,553,035	2,600,049
	\$ 189,049	\$ 5,904,775	\$ 6,093,824	\$ 6,279,478

See accompanying notes to consolidated financial statements.

DATE: March 24, 2022

CHAIR OF THE BOARD OF DIRECTORS:

TABER, ALBERTA

MANAGEMENT BODY: TABER AND DISTRICT HOUSING FOUNDATION

# TABER AND DISTRICT HOUSING FOUNDATION

## Consolidated Statement of Operating Surplus (Deficit)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Operating surplus (deficit) for the year:		
Clearview Lodge	\$ (46,002)	\$ (24,757)
Housing	(1,012)	(1,124)
Consolidated operating surplus (deficit)	\$ (47,014)	\$ (25,881)

See accompanying notes to consolidated financial statements.

# TABER AND DISTRICT HOUSING FOUNDATION

## Consolidated Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Investment in capital assets	Available accumulated excess of revenue over expense	Total 2021	Total 2020
Balance, beginning of year	\$ 1,932,795	\$ 667,254	\$ 2,600,049	\$ 2,625,930
Consolidated operating surplus (deficit)	-	(47,014)	(47,014)	(25,881)
Transfers:				
- Amortization of capital assets	(212,761)	212,761	-	-
- Amortization of deferred capital contributions	108,503	(108,503)	-	-
Change in capital assets	395,164	(395,164)	-	-
Balance, end of year	\$ 2,223,701	\$ 329,334	\$ 2,553,035	\$ 2,600,049

See accompanying notes to consolidated financial statements.

# TABER AND DISTRICT HOUSING FOUNDATION

## Consolidated Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Consolidated operating surplus (deficit)	\$ (47,014)	\$ (25,881)
Items not involving cash:		
Amortization of capital assets	212,761	210,053
Amortization of deferred capital contributions	(108,503)	(110,912)
Gain on disposal of capital assets	-	(2,780)
	57,244	70,480
Changes in non-cash operating working capital:		
Accounts receivable	32,405	(93,186)
Goods and services tax recoverable	(19,953)	(22,286)
Security deposits	(1,119)	(2,626)
Food and supplies inventory	9,209	(21,007)
Prepaid expenses	(17,276)	(3,628)
Accounts payable and accrued liabilities	(34,625)	118,579
Government remittances payable	(11,114)	30,933
Deferred revenue	37,590	32,786
Deposits payable	1,133	146
Due to Alberta Social Housing Corporation	(23,120)	34,413
	30,374	144,604
Investing:		
Purchase of capital assets, with internal funds	(395,164)	(59,005)
Proceeds on disposal of capital assets	-	3,000
	(395,164)	(56,005)
Increase (decrease) in cash	(364,790)	88,599
Cash, beginning of year	918,398	829,799
Cash, end of year	\$ 553,608	\$ 918,398

See accompanying notes to consolidated financial statements.



# TABER AND DISTRICT HOUSING FOUNDATION

## Notes to Consolidated Financial Statements

Year ended December 31, 2021

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### **Nature of operations:**

Taber and District Housing Foundation ("the Foundation") is incorporated under the Alberta Housing Act, and operates a senior citizens lodge and various social housing complexes. It is a public foundation and therefore is exempt from tax under the Income Tax Act. The Foundation operates two separate divisions, Clearview Lodge ("Lodge") and Housing. These consolidated financial statements present the assets, liabilities, revenues and expenses of both divisions.

### **1. Significant accounting policies:**

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting. The Foundation's significant accounting policies are as follows:

#### **(a) Cash and cash equivalents:**

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than three months from the date of acquisition.

#### **(b) Financial instruments:**

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 1. Significant accounting policies (continued):

### (c) Food and supplies inventory:

Food and supplies inventory is valued at the lower of cost and replacement cost.

### (d) Capital assets:

Capital assets purchased are stated at cost. Capital assets are amortized on a straight line and declining balance basis using the following annual rates:

Asset	Rate
Buildings	40 years
Equipment	10%
Paving	4%
Furnishings	10%

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long term service potential to the Foundation. Any such impairment is measured by a comparison of the carrying amount of an asset to estimated residual value.

### (e) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions which include donations and government grants. Operating grants are recognized in the period when receivable. Operating grants received for future periods are reported as deferred contributions until that period, when they are transferred to revenue.

Assets funded by the provincial government are recorded as an asset and a corresponding credit is recorded as an unamortized deferred capital contribution. Unamortized deferred capital contributions and related interest are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded. The related portion of the amortization expense and the deferred capital contributions are matched to indicate that the related amortization expense has been funded. Land that is contributed is recorded as a direct increase to investment in capital assets.

Revenue from rent and other services is recognized when the payment is received or receivable, and the service has been provided.

# TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (f) Related party transactions:

Monetary and non-monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

### (g) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

### (h) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets. Actual results could differ from those estimates.

# TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 2. Cash and short-term investment:

The Foundation considers deposits in banks and short-term investments as cash and cash equivalents.

	2021	2020
Cash	\$ 524,808	\$ 889,598
Guaranteed investment certificates	28,800	28,800
	\$ 553,608	\$ 918,398

The cashable Guaranteed Investment Certificate bears an interest rate of 0.5% (2020 - 0.1%) and matures December 10, 2022.

The cashable guaranteed investment certificates are held in trust for security deposits from tenants and the corresponding liability to the tenants is recorded separately on the consolidated statement of financial position.

# TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 3. Capital assets:

				2021
	Cost	Accumulated amortization		Net book value
Land	\$ 4,115	\$ -	\$	4,115
Building	6,909,128	2,387,044		4,522,084
Equipment	690,716	405,496		285,220
Furniture	74,550	59,577		14,973
Work-in-progress	356,765	-		356,765
Paving	58,155	29,787		28,368
	\$ 8,093,429	\$ 2,881,904	\$	5,211,525
				2020
	Cost	Accumulated amortization		Net book value
Land	\$ 4,115	\$ -	\$	4,115
Building	6,893,188	2,214,515		4,678,673
Equipment	684,163	382,612		301,551
Furniture	53,191	43,193		9,998
Paving	63,608	28,823		34,785
	\$ 7,698,265	\$ 2,669,143	\$	5,029,122

Included in work-in-progress are the costs incurred for the renovations and expansion of the Clearview Lodge. The expected completion date of the expansion project is not yet known. Amortization will commence upon completion of the expansion.

# TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 4. Deferred revenue:

Deferred revenue represents the portion of the unspent contributions for future operational funding.

	Balance, beginning of year	Contributions received and receivable	Contributions recognized	Balance, end of year
Alberta Health Services COVID-19 2021 advance	\$ 24,460	\$ -	\$ -	\$ 24,460
Alberta Health Services COVID-19 2021 funding	9,451	212,213	172,181	49,483
Alberta Social Housing Corporation COVID-19 incremental funding	-	147,472	147,472	-
Federal government COVID- 19 critical worker benefit	-	39,145	39,145	-
Lodge Assistance Grant	-	270,420	270,420	-
Other grants and contributions	8,173	37,122	39,564	5,731
	\$ 42,084	\$ 706,372	\$ 668,782	\$ 79,674

The Foundation received additional funding during 2021 from the Provincial government to assist with incremental expenses related to the COVID-19 pandemic. The Foundation received \$122,030 (2020 - \$58,575) of COVID-19 incremental funding from Alberta Social Housing Corporation ("ASHC") and a further \$25,442 (2020 - \$61,886) for the 2021 year is receivable at the year end. The funding is included in ASHC incremental COVID-19 funding.

Alberta Health Services ("AHS") provided the Foundation with COVID-19 funding of \$212,213 (2020 - \$158,261) of which \$172,181 is included in AHS COVID-19 funding and \$49,483 (2020 - \$9,451) is included in deferred revenue. Further, an additional \$24,460 COVID-19 advance was received in the prior year and is included in deferred revenue.

## 5. Due to Alberta Social Housing Corporation ("ASHC"):

The Housing Act which regulates the Housing operation requires that all surpluses from the Housing operation including non-allowable amortization expense, be repayable to ASHC. Therefore, the Housing 2021 surplus, plus non-allowable amortization expense repayable to ASHC at the end of 2021 is \$21,711 (2020 - \$44,831).

# TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 6. Deferred capital contributions:

Deferred capital contributions represents the portion of the unspent contributions for future capital projects.

	2021	2020
Tenant rent reserve	\$ 28,800	\$ 28,800
Capital grant received	18,645	18,645
	\$ 47,445	\$ 47,445

## 7. Unamortized deferred capital contributions:

Unamortized deferred capital contributions represents the unamortized portion of contributions received and spent on capital projects. Changes in unamortized deferred capital contributions are as follows:

	2021	2020
Balance, beginning of year	\$ 3,096,327	\$ 3,207,239
Amount recognized as revenue	(108,503)	(110,912)
	\$ 2,987,824	\$ 3,096,327

## 8. Related party transactions:

At December 31, 2021, there was a balance payable from the Housing division to Clearview Lodge of \$27,047 (2020 - \$82,952). These balances are not eliminated in the consolidated statement of financial position.

## 9. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

# TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 10. Financial risks and concentration of risk:

### (a) Interest rate risk:

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments as a result of investment in fixed interest instruments which subject the Foundation to a fair value risk, however, the risk associated is reduced to a minimum as these assets are guaranteed investment securities. There has been no change to the risk exposure from 2020.

### (b) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2020.



# TABER AND DISTRICT HOUSING FOUNDATION

## Statement of Operations - Housing

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Resident Rent	\$ 790,524	\$ 724,703
Resident Services	43,036	43,146
Non-resident Services	37,652	47,921
Other grants	12,816	37,469
Gain on sale of capital assets	-	2,780
	884,028	856,019
Expenses:		
Human resources	365,327	361,341
Operating	61,804	49,610
Operating Maintenance	278,606	238,184
Utilities	234,585	213,492
Administration	63,230	55,367
Amortization	1,012	1,124
	1,004,564	919,119
Expenses over revenue before ASHC funding	(120,536)	(63,096)
ASHC - funding received	96,404	96,403
ASHC - funding carryforward from prior year	44,831	10,400
Transfer to ASHC	(21,711)	(44,831)
Operating deficit	\$ (1,012)	\$ (1,124)

# TABER AND DISTRICT HOUSING FOUNDATION

## Statement of Operations - Housing

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Resident Rent	\$ 790,524	\$ 724,703
Resident Services	43,036	43,146
Non-resident Services	37,652	47,921
Other grants	12,816	37,473
Gain on sale of capital assets	-	2,780
	884,028	856,023
Expenses:		
Human resources	365,327	361,341
Operating	61,804	49,610
Operating Maintenance	278,606	238,184
Utilities	234,585	213,492
Administration	63,230	55,368
Amortization	1,012	1,124
	1,004,564	919,119
Expenses over revenue before ASHC funding	(120,536)	(63,096)
ASHC - funding received	96,404	96,403
ASHC - funding carryforward from prior year	44,831	10,400
Transfer to ASHC	(21,711)	(44,831)
Operating deficit	\$ (1,012)	\$ (1,124)

# TABER AND DISTRICT HOUSING FOUNDATION

## Statement of Operations - Clear View Lodge

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Rent	\$ 1,370,214	\$ 1,385,718
Resident services	38,520	35,650
Non-resident services	62,513	70,103
Alberta health services	550,555	547,031
Municipal requisitions	378,577	353,810
Lodge Assistance Grant	270,420	270,421
Management and administration	14,885	9,111
Investment income	2,905	5,867
Other grants	38,298	39,077
Donations	11,162	10,682
ASHC COVID-19 incremental funding	147,472	120,461
Federal COVID-19 Temporary wage subsidy	--	25,000
Critical worker benefit	39,145	--
AHS COVID-19 funding	172,181	148,810
Amortization of deferred capital contributions	108,503	110,912
	3,205,350	3,132,653
Expenses:		
Human resources	1,611,376	1,540,429
Health	713,087	718,675
Food	270,391	238,353
Operating	122,497	96,389
Maintenance	63,330	96,410
Utilities	152,774	139,768
Administration	106,148	118,457
Amortization	211,749	208,929
	3,251,352	3,157,410
Operating deficit	\$ (46,002)	\$ (24,757)