

Consolidated Financial Statements of

**TABER AND DISTRICT
HOUSING FOUNDATION**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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INDEPENDENT AUDITOR'S 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 Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- 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 statements of operating surplus (deficit) 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 "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, 2022 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 **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's 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 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.

Auditor's Responsibilities for the Audit of the 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 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 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 auditor's 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 auditor's 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. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Lethbridge, Canada

February 20, 2024

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	Housing	Clearview Lodge	Total 2022	Total 2021
Assets				
Current assets:				
Cash and short-term investments (note 2)	\$ 95,556	\$ 162,491	\$ 258,047	\$ 553,608
Accounts receivable (note 8)	53,369	117,583	170,952	137,141
Goods and services tax recoverable	26,299	34,798	61,097	66,625
Security deposits	38,383	--	38,383	37,670
Food and supplies inventory	--	53,377	53,377	38,846
Prepaid expenses	15,930	17,789	33,719	48,410
	229,537	386,038	615,575	882,300
Capital assets (note 3):				
Capital assets	39,942	8,320,302	8,360,244	8,093,429
Less accumulated amortization	31,746	3,059,255	3,091,001	2,881,904
	8,196	5,261,047	5,269,243	5,211,525
	\$ 237,733	\$ 5,647,085	\$ 5,884,818	\$ 6,093,825

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities (note 8)	\$ 124,924	\$ 159,531	\$ 284,455	\$ 309,232
Government remittances payable	--	38,362	38,362	60,286
Deferred revenue (note 4)	--	75,562	75,562	79,674
Deferred capital contributions (note 6)	28,800	--	28,800	47,445
Deposits payable	38,306	--	38,306	34,618
Due to Alberta Social Housing Corporation (note 5)	37,287	--	37,287	21,711
	229,317	273,455	502,772	552,966

Unamortized deferred capital contributions (note 7)	--	2,881,488	2,881,488	2,987,824
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Net assets:

Investment in capital assets	8,196	2,379,559	2,387,755	2,223,701
Available accumulated excess of revenue over expenses	220	112,583	112,803	329,334
	8,416	2,492,142	2,500,558	2,553,035

	\$ 237,733	\$ 5,647,085	\$ 5,884,818	\$ 6,093,825
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See accompanying notes to consolidated financial statements.

DATE: February 20, 2024

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, 2022, with comparative information for 2021

	2022	2021
Operating deficit for the year:		
Clearview Lodge	\$ (51,566)	\$ (46,002)
Housing	(911)	(1,012)
Consolidated operating deficit	\$ (52,477)	\$ (47,014)

See accompanying notes to consolidated financial statements.

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	Investment in capital assets	Available accumulated excess of revenue over expense	Total 2022	Total 2021
Balance, beginning of year	\$ 2,223,701	\$ 329,334	\$ 2,553,035	\$ 2,600,049
Consolidated operating deficit	-	(52,477)	(52,477)	(47,014)
Transfers:				
- Amortization of capital assets	(209,097)	209,097	-	-
- Amortization of deferred capital contributions	106,336	(106,336)	-	-
Change in capital assets	266,815	(266,815)	-	-
Balance, end of year	\$ 2,387,755	\$ 112,803	\$ 2,500,558	\$ 2,553,035

See accompanying notes to consolidated financial statements.

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Consolidated operating deficit	\$ (52,477)	\$ (47,014)
Items not involving cash:		
Amortization of capital assets	209,097	212,761
Amortization of deferred capital contributions	(106,336)	(108,503)
	50,284	57,244
Changes in non-cash operating working capital:		
Accounts receivable	(33,811)	32,405
Goods and services tax recoverable	5,528	(19,953)
Security deposits	(713)	(1,119)
Food and supplies inventory	(14,531)	9,209
Prepaid expenses	14,691	(17,276)
Accounts payable and accrued liabilities	(24,777)	(34,625)
Government remittances payable	(21,924)	(11,114)
Deferred revenue	(4,112)	37,590
Deferred capital contributions	(18,645)	-
Deposits payable	3,688	1,133
Due to Alberta Social Housing Corporation	15,576	(23,120)
	(28,746)	30,374
Investing:		
Purchase of capital assets, with internal funds	(266,815)	(395,164)
	(266,815)	(395,164)
Decrease in cash	(295,561)	(364,790)
Cash, beginning of year	553,608	918,398
Cash, end of year	\$ 258,047	\$ 553,608

See accompanying notes to consolidated financial statements.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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, 2022

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, 2022

1. Significant accounting policies (continued):

(f) Related party transactions:

Monetary 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 which includes Work in progress. Actual results could differ from those estimates.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

2. Cash and short-term investment:

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

	2022	2021
Cash	\$ 229,247	\$ 524,808
Guaranteed investment certificate	28,800	28,800
	\$ 258,047	\$ 553,608

The cashable guaranteed investment certificate bears an interest rate of 1.75% (2021 - 0.5%) and had a maturity date of December 12, 2023.

Subsequent to year end the guaranteed investment certificate was renewed, prior to the maturity date, for a one year term at prime less 2.45% and matures April 3, 2024.

The cashable guaranteed investment certificate is held for the tenant rent reserve.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

3. Capital assets:

2022			
	Cost	Accumulated amortization	Net book value
Land	\$ 4,115	\$ -	\$ 4,115
Building	6,909,129	2,559,772	4,349,357
Equipment	704,368	439,233	265,135
Furniture	74,550	61,074	13,476
Paving	58,155	30,922	27,233
Work-in-progress	609,927	-	609,927
	\$ 8,360,244	\$ 3,091,001	\$ 5,269,243
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
Paving	58,155	29,787	28,368
Work-in-progress	356,765	-	356,765
	\$ 8,093,429	\$ 2,881,904	\$ 5,211,525

Included in work-in-progress are the initial costs for the construction design development 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. The Foundation has applied for funding from the Government of Alberta in the amount of \$9,000,000, which is one-third of the estimated total project cost. Funding has not yet been approved.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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 funding	49,483	191,955	165,876	75,562
Alberta Social Housing Corporation COVID-19 incremental funding	-	133,247	133,247	-
Lodge Assistance Grant	-	289,737	289,737	-
Other grants and contributions	5,731	-	5,731	-
	\$ 79,674	\$ 614,939	\$ 619,051	\$ 75,562

The Foundation received additional funding during 2022 and prior years from the Provincial government to assist with incremental expenses related to the COVID-19 pandemic. The Foundation received \$113,943 (2021 - \$122,030) of COVID-19 incremental funding from Alberta Social Housing Corporation ("ASHC") and a further \$19,304 (2021 - \$25,442) for the 2022 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 \$230,853 (2021 - \$212,213) of which \$38,898 (2021 - Nil) was withheld as a result of prior year surpluses. In 2022, AHS funding revenue of \$165,876 (2021 - \$172,181) is recognized and included in AHS COVID-19 funding revenue and \$75,562 (2021 - \$49,483) 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 2022 surplus, plus non-allowable amortization expense repayable to ASHC at the end of 2022 is \$37,287 (2021 - \$21,711).

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

6. Deferred capital contributions:

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

	2022	2021
Tenant rent reserve	\$ 28,800	\$ 28,800
Capital maintenance and renewal program grant	-	18,645
	\$ 28,800	\$ 47,445

During the year, the remainder of funding received in a previous year of \$18,645 was spent and the related project costs are included in maintenance expense on the statement of operating surplus (deficit) for Clear View Lodge. The funding is included in other grants revenue.

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:

	2022	2021
Balance, beginning of year	\$ 2,987,824	\$ 3,096,327
Amount recognized as revenue	(106,336)	(108,503)
	\$ 2,881,488	\$ 2,987,824

8. Related party transactions:

At December 31, 2022, there was a balance payable from the Housing division to Clearview Lodge of \$56,237 (2021 - \$27,047). These balances are not eliminated in the consolidated statement of financial position.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

9. 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 2021.

(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 2021.

TABER AND DISTRICT HOUSING FOUNDATION

Statement of Operating Surplus (Deficit) - Housing

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Resident Rent	\$ 818,369	\$ 790,524
Resident Services	44,305	43,036
Non-resident Services	39,179	37,652
Other grants	45,213	12,816
Interest income	1,600	--
	948,666	884,028
Expenses:		
Human resources	402,112	365,327
Operating Maintenance	302,997	278,606
Utilities	227,433	234,585
Administration	71,075	63,230
Operating	62,835	61,804
Amortization	911	1,012
	1,067,363	1,004,564
Expenses over revenue before ASHC funding	(118,697)	(120,536)
ASHC - funding received	118,962	96,404
ASHC - utility grant	14,400	--
ASHC - funding carryforward from prior year	21,711	44,831
Transfer to ASHC	(37,287)	(21,711)
Operating deficit	\$ (911)	\$ (1,012)

TABER AND DISTRICT HOUSING FOUNDATION

Statement of Operating Surplus (Deficit) - Clear View Lodge

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Rent	\$ 1,403,551	1,370,214
Alberta health services	559,377	550,555
Municipal requisitions	405,077	378,577
Lodge Assistance Grant	289,737	270,420
AHS COVID-19 funding	165,876	172,181
ASHC COVID-19 incremental funding	133,247	147,472
Amortization of deferred capital contributions	106,336	108,503
Non-resident services	61,551	62,513
Resident services	40,772	38,520
Other grants	24,375	38,298
Management and administration	14,383	14,885
Donations	12,106	11,162
Investment income	8,800	2,905
AHSC - utility grant	7,700	--
Critical worker benefit	--	39,145
	3,232,888	3,205,350
Expenses:		
Human resources	1,592,186	1,611,376
Health	751,591	713,087
Food	308,938	270,391
Utilities	149,301	152,774
Maintenance	109,990	63,330
Operating	98,953	122,497
Administration	65,309	106,148
Amortization	208,186	211,749
	3,284,454	3,251,352
Operating deficit	\$ (51,566)	\$ (46,002)