

Consolidated Financial Statements of

**TABER AND DISTRICT
HOUSING FOUNDATION**

And Independent Auditor's Report thereon

Year ended December 31, 2023



KPMG LLP
3410 Fairway Plaza Road South
Lethbridge AB T1K 7T5
Canada
Tel 403 380 5700
Fax 403 380 5760

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 Foundation), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operating surplus (deficit) 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 consolidated 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, 2023 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 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 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 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.



Page 3

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

March 27, 2024

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	Housing	Clearview Lodge	2023 Total	2022 Total
Assets				
Current assets:				
Cash and short-term investment (note 2)	\$ 64,939	\$ 325,790	\$ 390,729	\$ 258,047
Accounts receivable (note 8)	114,380	37,349	151,729	170,952
Goods and services tax receivable	21,729	16,432	38,161	61,097
Security deposits	50,301	-	50,301	38,383
Food and supplies inventory	-	31,210	31,210	53,377
Prepaid expenses	13,479	29,971	43,450	33,719
	264,828	440,752	705,580	615,575
Capital assets (note 3):				
Capital assets	39,942	8,373,280	8,413,222	8,360,244
Less accumulated amortization	32,566	3,263,279	3,295,845	3,091,001
	7,376	5,110,001	5,117,377	5,269,243
	\$ 272,204	\$ 5,550,753	\$ 5,822,957	\$ 5,884,818

See accompanying notes to consolidated financial statements.

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	Housing	Clearview Lodge	2023 Total	2022 Total
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities (note 8)	\$ 99,229	\$ 392,260	\$ 491,489	\$ 284,455
Government remittances payable	-	44,157	44,157	38,362
Deferred revenue (note 4)	36,000	33,525	69,525	75,562
Deferred capital contributions (note 5)	28,800	-	28,800	28,800
Deposits payable	50,151	-	50,151	38,306
Due to Alberta Social Housing Corporation (note 6)	50,428	-	50,428	37,287
	264,608	469,942	734,550	502,772
Unamortized deferred capital contributions (note 7)	-	2,777,103	2,777,103	2,881,488
Net assets:				
Investment in capital assets	7,376	2,332,898	2,340,274	2,387,755
Available accumulated excess (deficiency) of revenue over expenses	220	(29,190)	(28,970)	112,803
	7,596	2,303,708	2,311,304	2,500,558
	\$ 272,204	\$ 5,550,753	\$ 5,822,957	\$ 5,884,818

See accompanying notes to consolidated financial statements.

DATE: March 27, 2024
 CHAIR OF THE BOARD OF DIRECTORS: Rosanne Harwick
 TABER, ALBERTA
 MANAGEMENT BODY: TABER AND DISTRICT HOUSING FOUNDATION

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Operating Surplus (Deficit)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Operating deficit for the year:		
Clearview Lodge	\$ (188,434)	\$ (51,566)
Housing	(820)	(911)
Consolidated operating deficit	\$ (189,254)	\$ (52,477)

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

		Investment in capital assets	Available accumulated excess (deficiency) of revenue over expense	2023 Total	2022 Total
Net assets, beginning of year	\$	2,387,755	\$ 112,803	\$ 2,500,558	\$ 2,553,035
Consolidated operating deficit		-	(189,254)	(189,254)	(52,477)
Transfers:					
- Amortization of capital assets		(204,844)	204,844	-	-
- Amortization of deferred capital contributions		104,385	(104,385)	-	-
Change in capital assets		52,978	(52,978)	-	-
Net assets, end of year	\$	2,340,274	\$ (28,970)	\$ 2,311,304	\$ 2,500,558

See accompanying notes to consolidated financial statements.

TABER AND DISTRICT HOUSING FOUNDATION

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Consolidated operating deficit	\$ (189,254)	\$ (52,477)
Items not involving cash:		
Amortization of capital assets	204,844	209,097
Amortization of deferred capital contributions	(104,385)	(106,336)
	(88,795)	50,284
Changes in non-cash operating working capital:		
Accounts receivable	19,223	(33,811)
Goods and services tax recoverable	22,936	5,528
Security deposits	(11,918)	(713)
Food and supplies inventory	22,167	(14,531)
Prepaid expenses	(9,731)	14,691
Accounts payable and accrued liabilities	207,034	(24,777)
Government remittances payable	5,795	(21,924)
Deferred revenue	(6,037)	(4,112)
Deferred capital contributions	-	(18,645)
Deposits payable	11,845	3,688
Due to Alberta Social Housing Corporation	13,141	15,576
	185,660	(28,746)
Investing:		
Purchase of capital assets, with internal funds	(52,978)	(266,815)
Increase (decrease) in cash and short-term investment	132,682	(295,561)
Cash and short-term investment, beginning of year	258,047	553,608
Cash and short-term investment, end of year	\$ 390,729	\$ 258,047

See accompanying notes to consolidated financial statements.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements

Year ended December 31, 2023

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 registered charity 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, 2023

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 using the following annual rates:

Asset	Basis	Rate
Buildings	Straight-line	40 years
Equipment	Declining balance	10%
Furniture	Declining balance	10%
Paving	Declining balance	4%

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, 2023

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 consolidated 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 consolidated 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, 2023

2. Cash and short term investment:

The Foundation considers deposits in banks, certificates of deposit and short-term investments as cash and cash equivalents.

	2023	2022
Cash	\$ 361,929	\$ 229,247
Guaranteed investment certificate	28,800	28,800
	\$ 390,729	\$ 258,047

Cash includes bank accounts bearing interest at prime less 2.2%. The cashable guaranteed investment certificate bears an interest rate of prime less 2.45% (2022 - 1.75%).

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, 2023

3. Capital assets:

			2023
	Cost	Accumulated amortization	Net book value
Land	\$ 4,115	\$ -	\$ 4,115
Building	6,909,129	2,732,501	4,176,628
Equipment	704,368	468,911	235,457
Furniture	74,550	62,422	12,128
Paving	58,155	32,011	26,144
Work-in-progress	662,905	-	662,905
	\$ 8,413,222	\$ 3,295,845	\$ 5,117,377
			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

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. Funding has been applied for and approved from the Municipal government for approximately \$8.5 million of the project. The Foundation has also 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. This funding has not yet been approved.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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	Repayable to AHS	Balance, end of year
Alberta Health Services					
COVID-19 funding	\$ 75,562	\$ 108,122	\$ 91,750	\$ 58,409	\$ 33,525
Alberta Social Housing Corporation COVID-19 incremental funding	-	61,559	61,559	-	-
Lodge Assistance Grant	-	270,421	270,421	-	-
Deferred Operating Reserve Fund (DORF)	-	36,000	-	-	36,000
	\$ 75,562	\$ 476,102	\$ 423,730	\$ 58,409	\$ 69,525

The Foundation received additional funding during 2023 and prior years from the Provincial government to assist with incremental expenses related to the COVID-19 pandemic. The Foundation received \$61,559 (2022 - \$113,943) of COVID-19 incremental funding from Alberta Social Housing Corporation ("ASHC") and a further \$nil (2022 - \$19,304) for the 2023 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 \$113,630 (2022 - \$230,853) of which \$5,508 (2022 - \$38,898) was withheld as a result of prior year surpluses. In 2023, AHS funding revenue of \$91,750 (2022 - \$165,876) is recognized and included in AHS COVID-19 funding revenue, \$58,409 (2022 - \$nil) is repayable to AHS and \$33,525 (2022 - \$75,562) is included in deferred revenue.

The amount repayable to AHS above for COVID-19 received of \$58,409 has been requested to be repaid. At December 31, 2023, the Foundation has unspent COVID-19 contributions of \$33,525 included in deferred revenue, which may be requested to be repaid by AHS in the future.

TABER AND DISTRICT HOUSING FOUNDATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Deferred capital contributions:

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

	2023	2022
Tenant rent reserve	\$ 28,800	\$ 28,800

6. 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 2023 surplus, plus non-allowable amortization expense repayable to ASHC at the end of 2023 is \$50,428 (2022 - \$37,287).

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:

	2023	2022
Balance, beginning of year	\$ 2,881,488	\$ 2,987,824
Amount recognized as revenue	(104,385)	(106,336)
	\$ 2,777,103	\$ 2,881,488

8. Related party transactions:

At December 31, 2023, there was a balance payable to the Housing division from Clearview Lodge of \$129,748 (2022 - balance owing from Housing division to Clearview Lodge of \$56,237). 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, 2023

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 2022.

(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 2022.

TABER AND DISTRICT HOUSING FOUNDATION

Schedule 1 - Operating Surplus (Deficit) - Housing

Year ended December 31, 2023

	2023	2022
Resident rent	\$ 905,972	\$ 818,369
Resident services	46,995	44,305
Non-resident services	34,888	39,179
Other grants	85,178	45,213
Interest income	9,008	1,600
Other	405	-
	1,082,446	948,666
Human resources	379,239	402,112
Operating maintenance	400,306	302,997
Utilities	259,449	227,433
Administration	92,655	71,075
Operating	56,618	62,835
Amortization	820	911
	1,189,087	1,067,363
Expenses over revenue before ASHC funding	(106,641)	(118,697)
ASHC - funding received	118,962	118,962
ASHC - utility grant	-	14,400
ASHC - funding carryforward from prior year	37,287	21,711
Transfer to ASHC	(50,428)	(37,287)
	105,821	117,786
Operating deficit	\$ (820)	\$ (911)

TABER AND DISTRICT HOUSING FOUNDATION

Schedule 2 - Operating Surplus (Deficit) - Clearview Lodge

Year ended December 31, 2023

	2023	2022
Rent	\$ 1,495,668	\$ 1,403,551
Alberta Health Services	681,221	559,377
Municipal requisitions	445,584	405,077
Lodge Assistance Grant	270,421	289,737
Amortization of deferred capital contributions	104,385	106,336
AHS COVID-19 funding	91,750	165,876
Non-resident services	77,133	61,551
ASHC COVID-19 incremental funding	61,559	133,247
Resident services	41,941	40,772
Other grants	35,471	24,375
Interest income	18,654	8,800
Management and administration	9,100	14,383
Donations	4,830	12,106
ASHC - utility grant	-	7,700
	3,337,717	3,232,888
Human resources	1,683,485	1,592,186
Health	764,457	751,591
Food	361,461	308,938
Utilities	180,047	149,301
Administration	119,115	65,309
Operating	113,569	98,953
Maintenance	99,993	109,990
Amortization	204,024	208,186
	3,526,151	3,284,454
Operating deficit	\$ (188,434)	\$ (51,566)