TABER AND DISTRICT HOUSING FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

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 , which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at December 31, 2025, and the consolidated results of its 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 Consolidated 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 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.

As disclosed in note 2(c), Alberta Social Housing Corporation requires the organization to record the operating surplus as a contribution to the Deferred Operating Reserve Fund as a direct decrease in net assets, rather than as an expense. Canadian accounting standards for not-for-profit organizations requires this to be reported as an expense. Had this amount been presented in accordance with Canadian accounting standards for not-for-profit organizations, the 2025 expenses would have increased by $37,881. There was no misstatement in the ending unrestricted net assets balance.

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 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.

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's 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 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 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. 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 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 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 Organization 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Avail LLP

Lethbridge, Alberta

March 26, 2026

Chartered Professional Accountants

TABER AND DISTRICT HOUSING FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
ASSETS		
Current		
Cash	$ 736,114	$ 464,522
Cash in trust - security deposits (note 3)	53,862	54,213
Short term investment (note 4)	28,800	28,800
Accounts receivable	10,065	27,818
GST receivable	42,697	41,688
Prepaid expenses	47,314	39,663
Inventory	35,453	34,067
	954,305	690,771
Capital assets (note 5)	8,847,126	5,111,677
	$ 9,801,431	$ 5,802,448
LIABILITIES AND FUND BALANCES		
Current		
Accounts payable and accrued liabilities (note 6)	$ 418,726	$ 354,962
Security deposits	53,150	51,145
Unearned revenue (note 7)	14,055	33,525
	485,931	439,632
Due to related party	-	6,389
Deferred operating reserve fund	126,242	36,000
Restricted operating reserve fund	28,800	28,800
Unamortized capital contributions (note 8)	6,329,243	2,833,157
	6,970,216	3,343,978
Fund balances		
Unrestricted	313,332	179,950
Invested in capital assets (note 9)	2,517,883	2,278,520
	2,831,215	2,458,470
	$ 9,801,431	$ 5,802,448

Approved on behalf of the board:

Director Roxanne Haworth ____________________ Director ____________________

TABER AND DISTRICT HOUSING FOUNDATION
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2025

	2025 Budget (unaudited)	2025 Actual	2024 Actual
Revenue			
Rent	$ 2,649,463	$ 2,727,142	$ 2,559,395
Alberta Health Services	836,303	891,674	867,114
Municipal requisitions (note 11)	517,300	517,300	483,459
Provincial grants	334,000	382,378	405,162
ASHC - Grants for restricted purposes	-	231,123	238,021
Resident services	86,144	115,069	100,226
Non-resident services	92,094	89,147	95,830
Investment income	20,000	29,472	37,274
Donations	-	27,722	9,895
Rent supplement	9,600	18,880	11,440
Management and administration	15,325	13,975	13,459
AHS COVID-19 funding	4,000	8,784	3,800
Municipal and other grants	-	8,664	21,950
	4,564,229	5,061,330	4,847,025
Expenses			
Human resources	2,327,808	2,122,069	2,068,758
Health	831,196	835,245	761,133
Operating maintenance	456,341	556,565	511,903
Utilities	456,121	408,422	419,797
Food supplies	356,500	381,462	365,209
Administration	200,070	181,583	287,393
Operating	214,670	170,425	172,332
	4,842,706	4,655,771	4,586,525
(Deficiency) excess of revenue over expenses from operations	(278,477)	405,559	260,500
Other income (expenses)			
Amortization of deferred capital contributions	-	103,914	104,138
Loss on disposal of capital assets	-	-	(16,613)
Amortization	-	(199,486)	(200,859)
	-	(95,572)	(113,334)
(Deficiency) excess of revenue over expenses	$ (278,477)	$ 309,987	$ 147,166

TABER AND DISTRICT HOUSING FOUNDATION
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2025

	Unrestricted	Invested in capital assets	Total 2025	Total 2024
Balance, beginning of year	$ 179,950	$ 2,278,520	$ 2,458,470	$ 2,311,304
Excess of revenue over expenses	309,987	-	309,987	147,166
Purchase of capital assets	(234,935)	234,935	-	-
Donated land	-	100,000	100,000	-
Amortization of capital assets	199,486	(199,486)	-	-
Amortization of capital contributions	(103,914)	103,914	-	-
Contribution to deferred operating reserve fund	(37,881)	-	(37,881)	-
Spent from deferred operating reserve fund in 2024	639	-	639	-
Balance, end of year	$ 313,332	$ 2,517,883	$ 2,831,215	$ 2,458,470

TABER AND DISTRICT HOUSING FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	2025	2024
Cash flows from operating activities		
Excess of revenue over expenses	$ 309,987	$ 147,166
Adjustments for items which do not affect cash		
Amortization	199,486	200,859
Loss on disposal of capital assets	-	16,614
Amortization of capital contributions	(103,914)	(104,138)
	405,559	260,501
Change in non-cash working capital items		
Accounts receivable	17,753	9,531
GST	(1,009)	(3,527)
Prepaid expenses	(7,651)	3,787
Inventory	(1,386)	(2,857)
Accounts payable and accrued liabilities	63,764	(101,673)
Security deposits	2,005	994
Unearned revenue	(19,470)	-
Due to related party	(6,389)	(8,979)
	453,176	157,777
Cash flows from investing activity		
Purchase of capital assets	(234,935)	(211,773)
Cash flows from financing activities		
Deferred operating reserve fund	53,000	-
Capital contributions	-	160,192
	53,000	160,192
Net increase in cash	271,241	106,196
Cash, beginning of year	547,535	441,339
Cash, end of year	$ 818,776	$ 547,535

	2025	2024
Cash consists of:		
Cash	$ 736,114	$ 464,522
Cash in trust - security deposits	53,862	54,213
Short term investment	28,800	28,800
	$ 818,776	$ 547,535

1. **Nature of operations**

Taber and District Housing Foundation (the "Organization") is a not-for-profit organization that operates and manages affordable supportive living housing for senior citizens of Taber and the surrounding area in the province of Alberta. The Organization is established as a management body by provincial ministerial order and is governed by Alberta Housing and, as such, is exempt from income taxes.

2. **Significant accounting policies**

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Consolidation
The consolidated financial statements include the assets, liabilities, revenues, expenses and cash flows of the two divisions of the Organization, as follows:

(1) Taber and District Housing Foundation - Clearview Lodge

(2) Taber and District Housing Foundation - Social Housing

All inter-divisional balances and transactions have been eliminated.

(b) Revenue recognition
The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Other unrestricted investment income is recognized as revenue when earned.

Rental revenue is recognized monthly based on rental agreements.

(c) Alberta Social Housing Corporation
The Social Housing division may receive an annual operating and capital grant from Alberta Social Housing Corporation (ASHC), depending on the approved budget each year. Any unspent portion of the grant, plus any actual surplus (not including amortization) for the year is adjusted to the Deferred Operating Reserve Fund. Any such amounts are recorded as a direct decrease in net assets rather than being included in revenue and expenses on the statement of operations.

(d) Cash and cash equivalents
The Organization includes cash on hand and amounts held by financial institutions in operating accounts in the determination of cash and cash equivalents.

(e) GST receivable
GST receivable is set up at the refundable rate in place at the time of expenditure.

2. **Significant accounting policies, continued**

(f) Inventory
Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

(g) Capital assets
Purchased capital assets are recorded at cost. Only assets costing $5,000 or more are recorded in the capital asset accounts. Contributed capital assets are recorded at fair value at the date of contribution.

The Organization provides for amortization over their estimated useful life using the following rates and methods:

Buildings	40 years straight-line
Equipment	10% declining balance
Furniture and fixtures	10% declining balance
Paving	4% declining balance

(h) Contributed services
Volunteers contributed time to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(i) Financial instruments
The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

(j) Net assets invested in capital assets
The Organization has chosen to treat net assets invested in capital assets as a separate component of net assets.

(k) Measurement uncertainty
The preparation of the financial statements 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 amount and useful lives of capital assets and provisions for impairment of accounts receivable. Actual results could differ from those estimates.

3. **Cash in trust - security deposits**

Cash in trust consists of security deposits from tenants with the liability to the tenants recorded separately as security deposits on the statement of financial position. Cash in trust consists of security deposits from tenants within Clearview Lodge and Social Housing units within the normal course of business.

4. **Short term investment**

The short-term investment consists of a guaranteed investment certificate which bears interest at prime less 2.45% and matures in April 2026.

5. **Capital assets**

			2025	2024
	Cost	Accumulated amortization	Net	Net
Land	$ 104,115	$ -	$ 104,115	$ 4,115
Buildings	10,509,128	3,077,958	7,431,170	4,003,898
Equipment	676,143	461,077	215,066	224,168
Furniture and fixtures	65,681	56,760	8,921	9,912
Paving	58,155	34,061	24,094	25,098
Work-in-progress	1,063,760	-	1,063,760	844,486
	$ 12,476,982	$ 3,629,856	$ 8,847,126	$ 5,111,677

During the year, Alberta Social Housing Corporation (ASHC) transferred the land and building known as Harmony Home for $1 to the organization for the purpose of providing affordable housing. The assets have been recorded at their estimated fair value of $3,700,000 (building $3,600,000, land $100,000). As part of the transfer, ASHC also agreed to provide $1,369,600 of funding to address the existing condition of the asset and to establish a maintenance reserve. ASHC has been granted an option to repurchase the property if the organization does not comply with the terms of the agreement.

6. **Accounts payable and accrued liabilities**

	2025	2024
Trade payables	$ 292,686	$ 230,266
Accrued vacation and payroll	126,040	124,696
	$ 418,726	$ 354,962

7. **Unearned revenue**

Unearned revenue represents unspent resources received in the current period that is related to the subsequent period. Changes in the deferred revenue balance are as follows:

	Balance, beginning of year	Received	Repaid	Balance, end of year
Alberta Health Services	$ 33,525	$ -	$ (19,470)	$ 14,055

8. **Unamortized capital contributions**

Unamortized capital contributions relate to the unamortized amount of donations and grants received and spent for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2025	2024
Balance, beginning of year	$ 2,833,157	$ 2,777,103
Capital contributions during the year	3,600,000	160,192
Amortization of capital contributions	(103,914)	(104,138)
Balance, end of year	$ 6,329,243	$ 2,833,157

9. **Net assets invested in capital assets**

Net assets invested in capital assets is calculated as follows:

	2025	2024
Capital assets (note 5)	$ 8,847,126	$ 5,111,677
Unamortized capital contributions (note 9)	(6,329,243)	(2,833,157)
	$ 2,517,883	$ 2,278,520

10. **Contingent liabilities**

Employees of the Organization are allowed to accrue sick leave to a maximum of 100 days. At December 31, 2025 the amount of accumulated sick leave was $181,824 (2024 - $184,641). This amount has not been recorded as a liability in the financial statements as there is no certainty that the full amount will be used. The amount of accumulated sick leave is not paid out to employees should they leave their employment.

11. **Municipal requisitions**

	2025	2024
M.D. of Taber	$ 319,152	$ 295,461
Town of Taber	168,928	160,444
Village of Barnwell	14,875	14,457
Town of Vauxhall	14,345	13,097
	$ 517,300	$ 483,459

12. **Economic dependence**

The Organization receives the majority of its funding from the provincial government, which enables the organization to provide affordable housing to its tenants. The continuing receipt of this funding is dependent on the Organization continuing to be in compliance with its respective funding agreements with the government.

13. **Subsequent event**

On January 29, 2026, the board accepted the proposal from Douglas J Bergen & Associates Ltd. for renovations of the Clearview Lodge for an amount of $872,700 plus GST. Costs incurred to date for architectural design and preliminary construction drawings are $197,450.

14. **Financial instruments**

(a) Liquidity risk
Liquidity risk is the risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares a budget and cash forecast to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk
Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from tenants. However, the Organization has a significant number of tenants which minimizes concentration of credit risk. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.