

CANMORE COMMUNITY HOUSING CORPORATION

Financial Statements

For the year ended December 31, 2020

CANMORE COMMUNITY HOUSING CORPORATION

TABLE OF CONTENTS

For the year ended December 31, 2020

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF OPERATIONS	4
STATEMENT OF CHANGE IN NET FINANCIAL DEBT	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 16
SCHEDULES TO THE FINANCIAL STATEMENTS	17 -18

INDEPENDENT AUDITOR'S REPORT

To: The Board of
Canmore Community Housing Corporation

Opinion

We have audited the financial statements of the Canmore Community Housing Corporation which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT, continued

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lethbridge, Alberta

April 1, 2021



Chartered Professional Accountants

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
Financial assets		
Cash	\$ 1,943,105	\$ 1,748,329
Term deposits (note 3)	701,460	935,254
Trade and other receivables (note 4)	692,879	379,954
Funds held in trust (damage deposits)	137,014	137,432
Inventory held for resale (note 5)	4,150,793	4,058,580
Investment in future housing developments (note 6)	1,334,547	1,064,222
	8,959,798	8,323,771
Liabilities		
Accounts payable and accrued liabilities	235,114	215,257
Deferred revenue (note 7)	14,500	319,981
Funds held in trust (damage deposits)	137,014	137,432
Long-term debt (note 8)	9,432,349	9,767,505
Due to related parties (note 9)	5,074,331	5,140,878
	14,893,308	15,581,053
Net financial debt	(5,933,510)	(7,257,282)
Non-financial assets		
Prepaid expenses and deposits	110,432	176,993
Tangible capital assets (schedule 1)	17,418,298	16,119,319
	17,528,730	16,296,312
Accumulated surplus (note 10 and schedule 2)	\$ 11,595,220	\$ 9,039,030

Commitments and contingencies (note 16)

Approved on behalf of the board:

Director  _____

Director  _____

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF OPERATIONS
For the year ended December 31, 2020

	Budget (unaudited)	2020	2019
Revenue			
Contributions from Town of Canmore (note 11)	\$ 500,620	\$ 2,490,966	\$ 1,706,550
Leases	-	246,030	8,044
Resale administration	25,000	61,900	23,138
Interest	3,150	39,846	49,475
Other	-	5,979	2,850
	528,770	2,844,721	1,790,057
Expenses			
Wages and benefits	407,158	392,161	335,421
Rent	31,200	28,920	28,860
Communications	5,000	23,382	246
Professional fees	20,395	14,427	17,937
Office	21,928	9,756	11,072
Contract service	6,732	5,400	5,400
Resale administration	6,100	5,163	5,138
Insurance	2,015	2,729	2,212
Telephone and utilities	4,000	1,885	2,811
Other project and program expenses	5,000	1,861	3,348
Computer	-	633	363
Interest and bank charges	300	277	272
Meals and entertainment	1,592	92	705
Travel and accommodation	3,000	-	1,335
Amortization	1,441	1,441	1,647
	515,861	488,127	416,767
Excess of revenue over expenses before other	12,909	2,356,594	1,373,290
Other revenue (expenses)			
Housing resale revenue	-	1,347,139	11,789,727
Housing resale expenses	-	(1,251,372)	(11,102,337)
Rental revenue	1,492,242	1,700,991	1,738,095
Rental expenses	(535,412)	(599,187)	(617,383)
Rental interest	(442,258)	(433,830)	(454,159)
Rental capital reserve expenditures	(43,665)	-	-
Rental amortization	(549,144)	(549,145)	(566,199)
Accessory Dwelling Program Expenses	-	(15,000)	-
	(78,237)	199,596	787,744
Excess (deficiency) of revenue over expenses	(65,328)	2,556,190	2,161,034
Accumulated surplus, beginning of year	9,039,030	9,039,030	6,877,996
Accumulated surplus, end of year	8,973,702	11,595,220	9,039,030

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CHANGES IN NET FINANCIAL DEBT
For the year ended December 31, 2020

	Budget (unaudited)	2020	2019
Excess (deficiency) of revenue over expenses	\$ (65,328)	\$ 2,556,190	\$ 2,161,034
Acquisition of tangible capital assets	(10,504)	(1,849,565)	(33,327)
Amortization	550,586	550,586	567,846
	540,082	(1,298,979)	534,519
Net change in prepaid expenses	-	66,561	972
Change in net financial debt	474,754	1,323,772	2,696,525
Net financial debt, beginning of year	(7,257,282)	(7,257,282)	(9,953,807)
Net financial debt, end of year	(6,782,528)	(5,933,510)	(7,257,282)

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2020

	2020	2019
Operating transactions		
Excess (deficiency) of revenue over expenses	\$ 2,556,190	\$ 2,161,034
Adjustments for items which do not affect cash		
Amortization	550,586	567,846
	3,106,776	2,728,880
Net change in non-cash working capital items		
Trade and other receivables	(312,925)	(95,670)
Inventory held for resale	(92,213)	(161,430)
Prepaid expenses and deposits	66,144	971
Accounts payable and accrued liabilities	19,856	(1,713,824)
	2,787,638	758,927
Investing transactions		
Decrease (increase) in term deposits	233,794	(169,895)
	233,794	(169,895)
Capital transactions		
Acquisition of tangible capital assets	(1,849,566)	(33,327)
Applied to future housing development and inventory held for resale	(305,482)	(169,474)
Investment in future housing developments	(269,907)	5,297,668
	(2,424,955)	5,094,867
Financing transactions		
Repayment of long-term debt	(335,155)	(4,216,075)
Advances from related parties	(66,546)	(940,500)
	(401,701)	(5,156,575)
Increase in cash	194,776	527,324
Cash, beginning of year	1,748,329	1,221,005
Cash, end of year	\$ 1,943,105	\$ 1,748,329

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. Nature of operations

Canmore Community Housing Corporation (the "organization") was incorporated on April 11, 2000 as a non-profit entity solely owned by the Town of Canmore and as such is not a taxable entity under the provisions of the Income Tax Act.

The purpose of the organization is to help the Town of Canmore maintain a healthy and balanced community over the long term by providing a mix of rental and ownership housing that is appropriate to the needs of the community and to enhance quality of life by facilitating the development of a perpetual stock of suitable housing for residents whose housing needs are not being met through other means.

Rental housing is provided in the form of apartment-style units as well as homes held in inventory awaiting resale under the Vital Homes initiative.

Vital Homes, for ownership purposes, is achieved by retaining title to housing units, while assigning the land and the building to qualifying homeowners by way of a 40 to 50 year initial lease term at below market purchase prices with two optional renewal terms of 25 years each.

2. Significant accounting policies

The financial statements are prepared in accordance with Canadian public sector accounting standards. The significant policies are detailed as follows:

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Externally 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.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Rental income is recognized in the financial statements as revenue in the period in which the income is earned. Security deposits are not recognized as revenue, but rather are held in trust until returned to the tenant or used to offset damages caused, at which time they would be recognized into revenue.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

2. Significant accounting policies, continued

(b) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount 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 expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(c) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the Change in Net Financial Debt for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized over the estimated useful life as follows:

	Years
Leasehold improvements	5 years straight line
Buildings	4% declining balance
Computer hardware	50% declining balance
Computer software	2 years straight line
Furniture and office equipment	5 years straight line
Land improvements	5 years straight line

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(d) Investment in future housing developments

Investment in future housing developments includes costs incurred to develop future residential housing units to assist the organization in meeting its objectives.

(e) Cash and cash equivalents

The organization includes cash on hand, held by financial institutions in operating accounts, and temporary investments in the determination of cash and cash equivalents.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

3. Term deposits

Term deposits bear interest between 1.30% and 2.25% and have maturity dates ranging from May 2021 to July 2021. The carrying value of the term deposits approximates their fair value.

Subsequent to year-end term deposits were replenished to \$969,063. The 2020 decrease in term deposits is due to a land title delay in December 2020 to January 2021.

4. Trade and other receivables

	2020	2019
Wolf Willow Condo Corporation	\$ 350,000	\$ 350,000
Trade receivables	281,768	17,051
Due from Matching Down Deposit Program	42,053	-
GST receivable	19,058	12,903
	\$ 692,879	\$ 379,954

The amount from Wolf Willow Condo Corporation (formerly known as Mountain Haven Cooperative Homes) was disbursed upon the completion of the condominium conversion March 31, 2020. The debt will be repaid in 120 equal payments on the 15th of each month commencing eighteen months following the conversion, without interest.

The Matching Down Deposit Program is a new pilot program for Vital Homes owners to assist in acquiring a property within the Town of Canmore by matching the approved applicants deposit on the purchase of their home. This amount is repayable over a five year term, with the option of being extended for a second five year term, at 1% interest.

5. Inventory held for resale

	2020	2019
Wolf Willow Condominiums	\$ 3,432,237	\$ 4,058,580
Lookout Ridge Condo Development	377,723	-
Moraine Ridge Lodge	340,833	-
	\$ 4,150,793	\$ 4,058,580

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

6. Investment in future housing developments

	2020	2019
Three Sisters Mountain Village Community lands	\$ 1,044,850	\$ 1,044,850
Peaks Landing land	155,894	-
Peaks Landing costs	120,572	7,341
Palliser Village - Lot 7 costs	9,258	8,058
Palliser Village - Block 6 costs	3,973	3,973
	<u>\$ 1,334,547</u>	<u>\$ 1,064,222</u>

7. Deferred revenue

	2020	2019
Lease revenue	\$ -	\$ 246,030
Conversion contribution	14,500	73,951
	<u>\$ 14,500</u>	<u>\$ 319,981</u>

The organization had entered into an agreement with Mountain Haven Cooperative Homes Ltd. (the "Co-op") to lease Lot 41 of Block 4 (TSMV) for an initial lease term of 45 years. The lease also included four 25 year renewal terms that could be exercised at the option of the Co-op. The Co-op has paid the organization \$362,000, which represented the net present value of the lease payments for the entire 45 year initial term of the lease at the time of inception of the lease. These lease payments were to be recognized as revenue over the initial term of the lease which commenced on August 1, 2005. On March 31, 2020, Mountain Haven Cooperative Homes Ltd. completed a conversion to Wolf Willow Condo Corporation, ceasing to exist as an entity. As a result, the entirety of the remaining balance, \$246,030, has been recognized as income in the 2020 year. No new lease terms have been agreed upon with the newly formed Wolf Willow Condo Corporation outside of lease agreements with individual tenants and the common room.

In the 2018 year, the organization received \$250,000 from the Town of Canmore to assist in converting the Mountain Haven Cooperative Homes from a cooperative to a condominium corporation. Total costs to date are \$235,500 of which \$59,451 was spent in the current year which was recognized into revenue. The remaining balance will be recognized as revenue when the related conversion costs are incurred.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

8. Long term debt

	2020	2019
Town of Canmore This loan is repayable at \$202,795 semi-annually including interest at 4.98%. The loan is due in 2034.	\$ 3,952,034	\$ 4,153,267
Bow Valley Credit Union This loan is repayable at \$21,416 monthly including interest at 3.90%. This loan is due in 2021.	3,475,036	3,564,822
This loan is repayable at \$11,491 monthly including interest at 3.90%. This loan is due in 2021	2,005,279	2,049,416
	\$ 9,432,349	\$ 9,767,505
Current portion	\$ 396,233	\$ 3,825,071

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2021	\$ 396,233	\$ 327,157	\$ 723,390
2022	411,018	312,372	723,390
2023	426,432	296,958	723,390
2024	442,505	280,885	723,390
2025	459,267	264,124	723,391
Thereafter	7,916,580	2,785,904	10,702,484
	\$ 9,432,349	\$ 4,267,400	\$ 14,319,435

Security on the Bow Valley Credit Union (BVCU) loans consist of a 1st and 2nd collateral mortgage over Plan 0412844, Block 4, Lot 39 (100 Dygras Lane); assignment of rents registered by caveat; GSA registered at PPSA; environmental questionnaire and indemnity; and loan agreements totaling \$6,300,000.

Subsequent to year-end, BVCU loans were repaid in full and financing was obtained through the Bank of Montreal (BMO). Current portion, principal and interest payments reflect the BMO financing obtained January 28, 2021. The BMO loan balance is \$6,100,000 repayable at \$26,483 monthly including interest at 2.21%. The loan is due in 2026.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

9. Related party transactions

	2020	2019
Town of Canmore - Mountain Haven Cooperative Homes	\$ (3,482,864)	\$ (4,245,000)
Town of Canmore - Resale Line of Credit	(871,467)	(175,878)
Town of Canmore - McArthur Place	(600,000)	(600,000)
Town of Canmore - Three Sisters Mountain Village	(162,500)	(162,500)
Town of Canmore - Development Agreement Deposit	42,500	42,500
	<u>\$ (5,074,331)</u>	<u>\$ (5,140,878)</u>

The organization is funded primarily through contributions from the Town of Canmore. During the year, the organization was allocated \$450,000 (2019 - \$475,000) from the Town of Canmore.

During the year, the organization used office space owned by the Town of Canmore. This space was provided by the Town of Canmore to the organization at no charge. Contributions have been recorded in the amount of \$25,620 for in-kind rent (2019 - \$25,620).

The Town of Canmore advanced a total of \$4,245,000 to assist with the purchase of 17 units from Mountain Haven Cooperative Homes (MHCH), now Wolf Willow Condo Corporation. The corporation will repay the advance to the Town from any proceeds of the eventual sale of any of the 17 units acquired. The loan is interest free and there are no specific terms of repayment. During the year, three sales occurred and the proceeds of \$762,136 were repaid to the Town.

During the year, the Town of Canmore transferred a parcel of land described as Plan 6416JK Parcel "A" for \$1.00. The organization has recognized the land at carrying value in the amount of \$1,800,000 under capital assets.

During the year, the Town of Canmore transferred a parcel of land described as Plan 1911891 Block 1 Lots 2 for \$1.00. The organization has recognized the land at carrying value in the amount of \$155,894 under investments in future housing developments.

The Town has contributed \$250,000 to the corporation to implement actions and activities required to transition MHCH to a managed Vital Homes development. This amount is not repayable to the Town. The total costs to date are \$235,500 of which \$59,451 of this amount was spent in the current year and recognized as revenue. The remaining portion of \$14,500 is in deferred revenue until the related conversion costs are spent.

The Town of Canmore has advanced a total of \$600,000 (2019 - \$600,000) to assist with the construction of McArthur Place. This loan bears interest at 2%. The principal plus accrued interest was repayable in December 2020. Payment process began as scheduled in December 2020 and was delayed until January 2021. As of December 31, 2020, \$60,972 of outstanding interest has been included in accounts payable (2019 - \$48,972).

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

9. Related party transactions, continued

The Town of Canmore has established a repurchasing line of credit to the organization up to a maximum of \$1,500,000 for the purchase of Vital Homes units. These loans are secured by the Vital Homes units until repaid to the Town of Canmore and do not bear interest. The loans are repayable to the Town of Canmore 14 days after the resale date of the unit. As at December 31, 2020 the line of credit was withdrawn \$871,467 (2019 - \$175,878).

During 2005, the Town of Canmore assumed a payable from the organization in the amount of \$325,000, which had previously been payable to an unrelated third party. The loan bears no interest or repayment terms and is unsecured. As of December 31, 2020, \$162,500 of this amount was outstanding (2019 - \$162,500).

In relation to the Old Daycare Land project, the organization has paid the Town of Canmore \$42,500 (2019 - \$400,000) for the development agreement deposit during the year. This will be repaid once the Town of Canmore is satisfied that the development has been constructed in accordance with the development permit.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. Accumulated surplus

Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2020	2019
Unrestricted surplus	\$ 2,216,549	\$ 1,003,647
Internally restricted surplus (reserves) (note 12)	1,392,722	1,683,569
Equity in tangible capital assets (note 13)	7,985,949	6,351,814
	\$ 11,595,220	\$ 9,039,030

11. Contributions from Town of Canmore

	2020	2019
New Life Church Centre land transfer	\$ 1,800,000	\$ -
Annual contribution	450,000	475,000
Peaks Landing land transfer	155,895	-
Wolf Willow Condo Corporation conversion	59,451	161,430
In Kind rent	25,620	25,620
Three Sisters Mountain Village land transfer	-	1,044,500
	\$ 2,490,966	\$ 1,706,550

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

12. Internally restricted surplus (reserves)

The organization has internally restricted the following funds for other than operational purposes:

	2020	2019
Capital reserve fund	\$ 105,436	\$ 364,577
The Hector building reserve fund	421,725	400,512
McArthur Place building reserve fund	172,614	168,480
Matching down deposit reserve fund	407,947	450,000
Accessory dwelling grant reserve fund	285,000	300,000
	<u>\$ 1,392,722</u>	<u>\$ 1,683,569</u>

The use of the capital reserve fund will be by decision of the board pursuant to the cash management policy. These funds may be used to:

- a) Build or contract the building of community housing projects;
- b) Purchase, service and/or maintain land held by the organization for community housing development;
- c) Purchase, renovate, or maintain community housing units owned by the organization;
- d) Use as seed capital for community housing projects and programs; and
- e) Undertake other activities to create or maintain community housing.

As per the policy, all interest earned is paid out to the operating account.

The Hector and McArthur Place building reserve funds are restricted for the costs of major repairs and or replacement of building components for the Hector and McArthur Place rental properties.

The accessory dwelling grant reserve fund is to assist market homeowners, whose land use areas allows for accessory dwellings to be constructed, to have access to grant funding to complete the same and thereby increase the supply of safe rental housing availability.

The matching down deposit reserve fund is to assist Vital Homes homeowners and those on the Vital Homes homeowners waiting list to acquire market or Vital Homes property under a homeownership tenure in Canmore.

A portion of reserves are invested in term deposits.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

13. Equity in tangible capital assets

	2020	2019
Tangible capital assets (schedule 1)	\$ 20,786,820	\$ 18,937,255
Accumulated amortization (schedule 1)	(3,368,522)	(2,817,936)
Long term debt (note 8)	(9,432,349)	(9,767,505)
	\$ 7,985,949	\$ 6,351,814

14. Economic dependence

The organization is economically dependent on the Town of Canmore for its continued existence as the Town of Canmore provides the organization with a substantial portion of its revenue, as well as providing the organization with rent-free office space.

15. Budget amounts

The 2020 budget was approved by the Board of Directors and has been reported in the financial statements for information purposes only. The budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

In addition, the approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

Budgeted deficit per financial statements		\$ (65,328)
Less: Capital expenditures		(10,504)
Long-term debt repayments		(370,215)
Transfers to reserves		(114,000)
Add: Amortization		550,586
Transfers from reserves		59,169
Equals: Budgeted surplus		\$ 49,708

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

16. Commitments and contingencies

During 2018, Canmore Community Housing Corporation entered into an agreement to purchase 4 Vital Homes units at 7th and 7th in Canmore. The total cost to the organization is \$1,100,159 plus GST which will be funded by the line of credit. Deposits in the amount of \$110,217 have been paid and are included in prepaid expenses and deposits.

Land held by the organization (Palliser Lot 7) suffered flood damage in June, 2013 and its value is currently in question. Presently, the land is valued at \$1,768,000. Based on the available information, it is reasonably possible that an impairment in value has occurred. Management is currently in the process of determining how much, if any, impairment has occurred. It is not possible at this time to estimate the dollar value of potential impairment.

17. COVID-19

The COVID-19 (coronavirus) pandemic has caused significant economic uncertainty. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Globally, some of the key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, decline in value of financial investments, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses

The organization's rental revenues declined in April, May, and June at 25%, 20%, and 15% to protect tenants during the pandemic. The organization is following government guidelines and has developed policies to ensure safety of employees is maintained. Management is not aware of any material impairments that will impact the financial assets or liabilities of the organization due to the pandemic.

The situation is continually changing and the future impact on the organization is not readily determinable at this time.

18. Financial instruments

The organization's financial instruments consist of cash and temporary investments, trade and other receivables, amounts due from related parties, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the organization is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of these financial instruments approximates their fair value.

19. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

CANMORE COMMUNITY HOUSING CORPORATION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

	Schedule 1						Schedule 1		
	Land	Leasehold improvements	Buildings	Computer hardware	Computer software	Land improvements	Furniture and office equipment	2020	2019
Schedule of tangible capital assets									
Cost:									
Balance, beginning of year	\$ 4,599,981	\$ 9,272	\$ 13,805,202	\$ 16,373	\$ 1,459	\$ 494,816	\$ 10,152	\$ 18,937,255	\$ 18,903,928
Acquisitions	1,800,000	-	49,565	-	-	-	-	1,849,565	33,327
Balance, end of year	6,399,981	9,272	13,854,767	16,373	1,459	494,816	10,152	20,786,820	18,937,255
Accumulated amortization:									
Balance, beginning of year	-	9,272	2,575,442	14,086	1,459	207,823	9,854	2,817,936	2,250,090
Annual amortization	-	-	450,182	1,143	-	98,963	298	550,586	567,846
Balance, end of year	-	9,272	3,025,624	15,229	1,459	306,786	10,152	3,368,522	2,817,936
Net book value	\$ 6,399,981	\$ -	\$ 10,829,143	\$ 1,144	\$ -	\$ 188,030	\$ -	\$ 17,418,298	\$ 16,119,319
2019 net book value	\$ 4,599,981	\$ -	\$ 11,229,760	\$ 2,287	\$ -	\$ 286,993	\$ 298	\$ 16,119,319	

CANMORE COMMUNITY HOUSING CORPORATION
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

Schedule of changes in accumulated surplus	Schedule 2				
	Unrestricted	Internally restricted	Equity in tangible capital assets	2020	2019
Balance, beginning of year	\$ 1,003,647	\$ 1,683,569	\$ 6,351,814	\$ 9,039,030	\$ 6,877,996
Excess of revenue over expenses	2,556,190	-	-	2,556,190	2,161,034
Restricted funds used for operations	290,847	(290,847)	-	-	-
Current year funds used for tangible capital assets	(1,849,566)	-	1,849,566	-	-
Amortization	550,589	-	(550,589)	-	-
Repayment of long term debt	(335,158)	-	335,158	-	-
Change in accumulated surplus	1,212,902	(290,847)	1,634,135	2,556,190	2,161,034
Balance, end of year	\$ 2,216,549	\$ 1,392,722	\$ 7,985,949	\$ 11,595,220	\$ 9,039,030