

CANMORE COMMUNITY HOUSING CORPORATION

FINANCIAL STATEMENTS

For the year ended December 31, 2024

CANMORE COMMUNITY HOUSING CORPORATION

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For the year ended December 31, 2024

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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, 2024, and the statements of operations, remeasurement gains and losses, change in net financial debt 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, 2024, its results of operations, remeasurement gains and losses, change in net financial debt 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.

Emphasis of Matter

We draw attention to note 18 which describes amendments made to prior year's figures. Our audit opinion is not modified in respect to these matters.

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.

INDEPENDENT AUDITOR'S REPORT, continued

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:

- 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 organization 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 10, 2025



Chartered Professional Accountants

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023 (restated)
Financial assets		
Cash and cash equivalents (note 3)	\$ 1,453,376	\$ 4,040,445
Trade and other receivables (note 4)	619,312	401,880
Funds held in trust (damage deposits)	134,712	136,359
Inventory held for resale (note 5)	492,947	1,883,878
Investment in future housing developments (note 6)	4,765,640	1,131,803
	7,465,987	7,594,365
Liabilities		
Accounts payable and accrued liabilities	1,381,247	198,723
Deferred revenue (note 7)	12,736	12,736
Funds held in trust (damage deposits)	134,712	137,606
Long-term debt (note 8)	8,247,983	8,572,029
Due to related parties (note 9)	1,487,950	1,656,265
	11,264,628	10,577,359
Net financial debt	(3,798,641)	(2,982,994)
Non-financial assets		
Prepaid expenses and deposits	299,123	18,024
Tangible capital assets (schedule 1)	16,850,574	16,120,608
	17,149,697	16,138,632
Accumulated surplus (note 10, schedule 2)		
Accumulated operating surplus	13,351,056	13,155,638
Accumulated remeasurement gains (losses)	-	-
	\$ 13,351,056	\$ 13,155,638

Commitments and contingencies (note 16)

Approved on behalf of the board:

Director Todd R Kunst

Director Rob Murray

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF OPERATIONS
For the year ended December 31, 2024

	Budget (unaudited)	2024	2023 (restated)
Revenue			
Contributions from Town of Canmore (note 11)	\$ 700,000	\$ 708,540	\$ 476,982
Interest	10,950	121,950	159,189
Resale administration	37,500	41,962	14,975
Other	-	530	2,309
	748,450	872,982	653,455
Expenses			
Wages and benefits	631,000	713,279	560,465
Rent	50,000	88,057	28,920
Programs	20,000	33,142	7,500
Office	14,452	28,692	23,556
Professional fees	23,000	22,332	98,633
Travel and accommodation	3,000	10,038	6,737
Resale administration	5,600	6,025	550
Contract service	6,556	5,400	5,400
Advertising	2,000	4,676	1,014
Meals and entertainment	1,500	4,036	1,270
Insurance	3,374	3,308	3,101
Interest and bank charges	300	1,509	250
Amortization of tangible capital assets	3,399	3,350	2,553
	764,181	923,844	739,949
Deficiency of revenue over expenses before other	(15,731)	(50,862)	(86,494)
Other revenue (expense)			
Housing resale revenue	-	2,008,339	1,985,300
Housing resale expenses	-	(1,812,013)	(1,875,486)
Rental revenue	1,631,178	1,775,593	1,806,404
Rental expenses	(597,703)	(1,050,543)	(827,921)
Rental interest	(287,800)	(275,343)	(290,996)
Rental Amortization	(399,754)	(399,754)	(400,737)
Accessory Dwelling Program Expenses	-	-	(16,500)
	345,921	246,279	380,064
Excess of revenue over expenses	330,190	195,417	293,570
Accumulated operating surplus, beginning of year			
As previously stated	13,323,427	13,323,427	12,999,350
Prior period adjustment (note 18)	-	(167,789)	(137,282)
As restated	13,323,427	13,155,638	12,862,068
Accumulated operating surplus, end of year	\$ 13,485,829	\$ 13,351,056	\$ 13,155,638

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the year ended December 31, 2024

	2024	2023
Accumulated remeasurement gains (losses), beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to: Equity investments	-	-
Amounts reclassified to statements of operations: Equity investments realized gains	-	-
Net remeasurement gains (losses) for the year	-	-
Accumulated remeasurement gains (losses), end of year	\$ -	\$ -

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CHANGE IN NET FINANCIAL DEBT
For the year ended December 31, 2024

	Budget (unaudited)	2024	2023 (restated)
Excess of revenue over expenses	\$ 330,190	\$ 195,417	\$ 293,570
Acquisition of tangible capital assets	(190,241)	(1,133,070)	(88,593)
Amortization of tangible capital assets	403,153	403,104	403,290
	212,912	(729,966)	314,697
Net change in prepaid expenses	-	(281,098)	(16,813)
Change in net financial debt	543,102	(815,647)	591,454
Net financial debt, beginning of year			
As previously stated	(2,815,205)	(2,815,205)	(3,437,166)
Prior period adjustment (note 18)	-	(167,789)	(137,282)
As restated	(2,815,205)	(2,982,994)	(3,574,448)
Net financial debt, end of year	\$ (2,439,892)	\$ (3,798,641)	\$ (2,982,994)

CANMORE COMMUNITY HOUSING CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

	2024	2023 (restated)
Operating transactions		
Excess of revenue over expenses	\$ 195,417	\$ 293,570
Adjustments for items which do not affect cash		
Amortization of tangible capital assets	403,104	403,290
	598,521	696,860
Net change in non-cash working capital items		
Trade and other receivables	(217,433)	148,783
Inventory held for resale	1,390,931	349,639
Prepaid expenses and deposits	(281,099)	(16,813)
Accounts payable and accrued liabilities	1,182,524	82,272
Deferred revenue	-	(1,361)
Funds held in trust (damage deposits)	(1,247)	1,247
Cash provided by operating transactions	2,672,197	1,260,627
Capital transactions		
Acquisition of tangible capital assets	(1,133,069)	(88,594)
Investment in future housing developments	(3,633,836)	(86,953)
Cash applied to capital transactions	(4,766,905)	(175,547)
Financing transactions		
Repayment of long-term debt	(324,046)	(431,853)
Advances from related parties	(168,315)	(401,172)
Cash applied to financing transactions	(492,361)	(833,025)
(Decrease) increase in cash and cash equivalents	(2,587,069)	252,055
Cash and cash equivalents, beginning of year	4,040,445	3,788,390
Cash and cash equivalents, end of year	\$ 1,453,376	\$ 4,040,445
Cash and cash equivalents consist of:		
Cash	\$ 1,453,376	\$ 2,605,057
Term deposits	-	1,435,388
	\$ 1,453,376	\$ 4,040,445

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

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.

(b) Cash and cash equivalents

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

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. Significant accounting policies, continued

(c) 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. Areas subject to measurement uncertainty are amortization of tangible capital assets and deferred revenue. Actual results could differ from those estimates.

(d) 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 of the tangible capital assets is amortized over the estimated useful life as follows:

	Years
Land improvements	5 straight line
Buildings	4% declining balance
Furniture and office equipment	5 straight line
Leasehold improvements	5 straight line
Computer hardware	50% declining balance
Construction in progress	2 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.

(e) 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.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

3. Cash and cash equivalents

Cash and cash equivalents consist of cash and term deposits.

	2024	2023
Cash	\$ 1,453,376	\$ 2,605,057
Term deposits	-	1,435,388
	<u>\$ 1,453,376</u>	<u>\$ 4,040,445</u>

4. Trade and other receivables

	2024	2023
GST receivable	\$ 297,209	\$ 37,249
Due from Matching Down Deposit Program	167,053	167,053
Wolf Willow Condo Corporation	149,147	149,147
Trade receivables	15,043	17,364
Interest receivable	5,564	45,771
Allowance for doubtful accounts	(14,704)	(14,704)
	<u>\$ 619,312</u>	<u>\$ 401,880</u>

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. During the year, no repayments were made. Effective 2025, the remaining balance will be repaid with minimum annual payments of \$16,884 per year until the balance is paid off no later than September 30, 2031. The amount due is non-interest bearing.

The Matching Down Deposit Program is a 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 per annum.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

5. Inventory held for resale

	2024	2023 (restated)
Wolf Willow Condominiums	\$ 492,947	\$ 1,403,878
Vital Homes units	-	480,000
	<u>\$ 492,947</u>	<u>\$ 1,883,878</u>

6. Investment in future housing developments

	2024	2023
Stewart Creek Rise	\$ 4,765,640	\$ 1,131,803

Stewart Creek Rise is an ownership development project consisting of 18 units held for resale. 17 of the 18 units have been pre-sold.

Palliser Lane Rental Housing project is a purpose-built rental development that the organization intends to own and operate in perpetuity. This project is included in the organization's tangible capital assets with the current year construction costs recorded to construction in progress.

7. Deferred revenue

	2024	2023
Conversion contribution	\$ 12,736	\$ 12,736

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 \$237,264 with \$0 spent in the current year. 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, 2024

8. Long-term debt

	2024	2023
Bank of Montreal	\$ 5,083,585	\$ 5,286,641
Town of Canmore	3,164,398	3,285,388
	\$ 8,247,983	\$ 8,572,029
Current portion	\$ 588,892	\$ 448,004

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2025	\$ 588,892	\$ 337,294	\$ 926,186
2026	482,498	240,892	723,390
2027	500,865	222,525	723,390
2028	520,024	203,366	723,390
2029	540,014	183,377	723,391
Thereafter	5,615,690	2,632,293	8,247,983
	\$ 8,247,983	\$ 3,819,747	\$ 12,067,730

Bank of Montreal debenture is repayable at \$26,483 monthly including interest at 2.21%. This loan is due in December 2025.

Town of Canmore debenture is repayable at \$202,795 semi-annually including interest at 4.98%. The loan is due in June 2034.

Security on the Bank of Montreal (BMO) loan consists of a first-ranking all indebtedness mortgage of \$6,100,000 registered over Plan 0412844 Block 4, lot 39 (100 Dyrgas Lane); security interest over all present and after-acquired property with a first ranking for account receivables, inventory, machinery & equipment, asset specific to 100 Dyrgas Lane; environmental review and compliance certificate.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

9. Due to related parties and related party transactions

Amounts due to related parties consists of:

	2024	2023
Town of Canmore - Mountain Haven Cooperative Homes	\$ 223,284	\$ 1,176,265
Town of Canmore - Resale Line of Credit	400,166	480,000
Town of Canmore - Palliser Lane	864,500	-
	<u>\$ 1,487,950</u>	<u>\$ 1,656,265</u>

Accounts payable include amounts payable from:

Town of Canmore	\$ 373,988	\$ -
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The organization is funded primarily through contributions from the Town of Canmore. During the year, the organization was allocated \$700,000 (2023 - \$450,000) from the Town of Canmore.

During the year, the organization used office space owned by the Town of Canmore up until April 2024. This space was provided by the Town of Canmore to the organization at no charge. Contributions have been recorded in the amount of \$8,540 for in-kind rent (2023 - \$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 organization 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, \$952,981 was repaid to the Town.

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 \$237,264 with the remaining portion of \$12,736 is in deferred revenue until the related conversion costs are spent.

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, 2024 the line of credit was withdrawn \$400,166 (2023 - \$480,000).

During the year, the Town of Canmore advanced \$864,500 to be used as working capital for the Palliser Lane Rental Housing development. The organization will repay the advancement through two installments. The first installment will be made at the 90% design stage when financing is secured for the project. The second installment will be made at the substantial completion stage of the project no later than December 31, 2025. The advance is non-interest bearing.

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.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

10. Accumulated operating surplus

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

	2024	2023 (restated)
Unrestricted surplus	\$ 3,791,658	\$ 3,294,910
Internally restricted surplus (reserves) (note 12)	956,807	2,312,149
Equity in tangible capital assets (note 13)	8,602,591	7,548,579
	<u>\$ 13,351,056</u>	<u>\$ 13,155,638</u>

11. Contributions from Town of Canmore

	2024	2023
Annual contribution	\$ 700,000	\$ 450,000
In Kind rent	8,540	25,620
Mountain Haven Cooperative Homes deferred revenue recognized	-	1,362
	<u>\$ 708,540</u>	<u>\$ 476,982</u>

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

12. Internally restricted surplus (reserves)

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

	2024	2023
Capital reserve fund	\$ 92,063	\$ 422,697
McArthur Place building reserve fund	-	321,863
The Hector building reserve fund	248,487	689,142
Accessory dwelling grant reserve fund	83,500	83,500
Matching down deposit reserve fund	422,947	422,947
Special initiatives reserve fund	109,810	372,000
	<u>\$ 956,807</u>	<u>\$ 2,312,149</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.

The special initiatives reserve fund is for the purpose of maintaining rental stability, creating a Palliser lands master plan, and a housing action plan.

During the year, a portion of the internally restricted reserves were withdrawn to fund the housing developments while financing for the developments were being secured. The internally restricted reserves will be reimbursed subsequent to year end.

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

13. Equity in tangible capital assets

	2024	2023
Tangible capital assets (schedule 1)	\$ 22,055,445	\$ 20,933,106
Accumulated amortization (schedule 1)	(5,204,871)	(4,812,498)
Long-term debt (note 8)	(8,247,983)	(8,572,029)
	<u>\$ 8,602,591</u>	<u>\$ 7,548,579</u>

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.

15. Budget amounts

The 2024 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 surplus per financial statements	\$ 330,190
Less: Capital expenditures	(190,241)
Long-term debt repayments	(435,590)
Transfers to reserves	(215,900)
Add: Amortization	403,153
Transfers from reserves	222,741
<u>Equals: balanced budget</u>	<u>\$ 114,353</u>

CANMORE COMMUNITY HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

16. Commitments and contingencies

a) 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.

b) The organization has approved the Stewart Creek Rise development for an estimated cost of \$9,442,575. The construction for the housing development project began in 2024 and \$4,765,640 has been spent as of year end. The housing development project is expected to be completed in 2025. The organization has secured financing from the Bank of Montreal for the development in the amount of \$9,442,575. Subsequent to year end, the organization has received \$2,317,331 of the loans proceeds.

c) The organization has approved the Palliser Lane Rental Housing development for an estimated cost of \$64,464,500. The construction for the housing development project began in 2024 and \$4,821,152 has been spent as of year end. The housing development project is expected to be completed in 2026. The organization has secured financing from multiple sources for the development in the amount of \$64,464,500.

17. Lease commitment

The organization has entered into a 10 year operating lease for office space. The lease expires February 28, 2035. The minimum lease payments including estimated operating costs over the next 5 years are as follows:

2025	\$	117,269
2026		117,269
2027		119,991
2028		120,535
2029		120,535
		<hr/> <hr/> \$ 595,599

18. Prior period

The prior year numbers have been adjusted to reduce inventory held for resale for condominium conversion costs associated with past Wolf Willow Condominiums unit sales. The effects of these adjustments are as follows:

- A decrease in inventory held for resale of \$137,282 as of December 31, 2022
- A decrease in unrestricted accumulated surplus of \$137,282 as of December 31, 2022
- A decrease in inventory held for resale of \$167,789 as of December 31, 2023
- An increase in housing resale expenses of \$30,507 as of December 31, 2023
- A decrease in unrestricted accumulated surplus of \$167,789 as of December 31, 2023

CANMORE COMMUNITY HOUSING CORPORATION
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19. Financial instruments

The organization's financial instruments consist of cash and cash equivalents, 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.

20. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

CANMORE COMMUNITY HOUSING CORPORATION
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Schedule of tangible capital assets

Schedule 1

	Land	Land improvements	Buildings	Furniture and office equipment	Leasehold improvements	Computer hardware	Construction in progress	2024	2023
Cost:									
Balance, beginning of year	\$ 6,399,981	\$ 494,816	\$ 13,894,650	\$ 11,883	\$ 9,272	\$ 23,155	\$ 99,350	\$ 20,933,107	\$ 20,844,513
Acquisitions	-	75,229	-	-	-	3,799	1,054,041	1,133,069	5,142
Construction-in-progress	-	-	-	-	-	-	-	-	83,451
Disposals	-	-	-	-	(9,272)	(1,459)	-	(10,731)	-
Balance, end of year	6,399,981	570,045	13,894,650	11,883	-	25,495	1,153,391	22,055,445	20,933,106
Accumulated amortization:									
Balance, beginning of year	-	494,816	4,276,964	10,498	9,272	20,948	-	4,812,498	4,409,208
Annual amortization	-	15,046	384,708	346	-	3,004	-	403,104	403,290
Disposals	-	-	-	-	(9,272)	(1,459)	-	(10,731)	-
Balance, end of year	-	509,862	4,661,672	10,844	-	22,493	-	5,204,871	4,812,498
Net book value	\$ 6,399,981	\$ 60,183	\$ 9,232,978	\$ 1,039	\$ -	\$ 3,002	\$ 1,153,391	\$ 16,850,574	\$ 16,120,608
2023 net book value	\$ 6,399,981	\$ -	\$ 9,617,686	\$ 1,385	\$ -	\$ 2,207	\$ 99,350	\$ 16,120,609	

CANMORE COMMUNITY HOUSING CORPORATION
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Schedule of changes in accumulated surplus

Schedule 2

	Unrestricted	Internally restricted	Equity in tangible capital assets	2024	2023 (restated)
Balance, beginning of year					
As previously stated	\$ 3,462,700	\$ 2,312,149	\$ 7,548,579	\$ 13,323,428	\$ 12,999,350
Prior period adjustment (note 18)	(167,789)	-	-	(167,789)	(137,282)
As restated	3,294,911	2,312,149	7,548,579	13,155,639	12,862,068
Excess of revenue over expenses	195,417	-	-	195,417	293,570
Unrestricted funds designated for future use	(111,438)	111,438	-	-	-
Restricted funds used for operations	1,466,780	(1,466,780)	-	-	-
Current year funds used for tangible capital assets	(1,133,070)	-	1,133,070	-	-
Annual amortization expense	403,104	-	(403,104)	-	-
Long-term debt repaid	(324,046)	-	324,046	-	-
Change in accumulated surplus	496,747	(1,355,342)	1,054,012	195,417	293,570
Balance, end of year	\$ 3,791,658	\$ 956,807	\$ 8,602,591	\$ 13,351,056	\$ 13,155,638