

WHEATLAND HOUSING MANAGEMENT BODY

Financial Statements

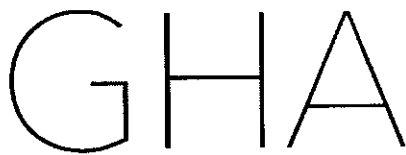
Year Ended December 31, 2023

WHEATLAND HOUSING MANAGEMENT BODY

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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Wheatland Housing Management Body:

Opinion

We have audited the financial statements of Wheatland Housing Management Body (the Management Body), which comprise the statement of financial position as at December 31, 2023, and the statement of operations and changes in net assets and cash flows for the years 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 Wheatland Housing Management Body as at December 31, 2023, the results of its operations and its 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 report. We are independent of the Management Body 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 these 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 financial statements, management is responsible for assessing the Management Body'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 cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 omission, 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 Management Body'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 Management Body'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 Management Body 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Gregory, Harriman & Associates LLP

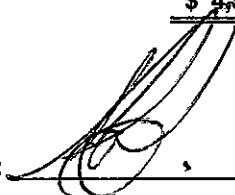
Strathmore, Alberta
March 21, 2024

Gregory, Harriman & Associates LLP
Chartered Professional Accountants

**WHEATLAND HOUSING MANAGEMENT BODY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	<u>Wheatland Lodge</u>	<u>Social Housing</u>	<u>TOTAL</u>	
	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS				
Cash (Note 3)	\$ 1,644,582	\$ 205,571	\$ 1,850,153	\$ 1,890,071
Accounts receivable	25,930	1,039	26,969	1,124
Goods and Services Tax receivable	33,324	-	33,324	22,575
Inventory	54,639	-	54,639	54,889
Prepaid expenses	-	27,649	27,649	26,903
Security deposits held	-	25,104	25,104	23,721
	<u>1,758,475</u>	<u>259,363</u>	<u>2,017,838</u>	<u>2,019,283</u>
PROPERTY AND EQUIPMENT (Note 4)	<u>3,208,658</u>	<u>15,340</u>	<u>3,223,998</u>	<u>3,089,491</u>
TOTAL ASSETS	<u>\$ 4,967,133</u>	<u>\$ 274,703</u>	<u>\$ 5,241,836</u>	<u>\$ 5,108,774</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 5)	\$ 314,285	\$ 118,226	\$ 432,511	\$ 380,714
Direct rent advances (Note 6)	-	60,000	60,000	60,000
Deferred revenue	-	40,416	40,416	17,177
Security deposits payable	-	23,521	23,521	23,293
	<u>314,285</u>	<u>242,163</u>	<u>556,448</u>	<u>481,184</u>
OPERATING RESERVE FUND PAYABLE (Note 7)	-	17,200	17,200	17,200
UNAMORTIZED EXTERNAL CONTRIBUTIONS (Note 8)	<u>1,392,400</u>	<u>-</u>	<u>1,392,400</u>	<u>1,467,697</u>
	<u>1,706,685</u>	<u>259,363</u>	<u>1,966,048</u>	<u>1,966,081</u>
NET ASSETS				
Unrestricted	1,139,108	-	1,139,108	1,320,899
Internally restricted funds (Note 9)	305,083	-	305,083	200,000
Invested in property and equipment	1,816,257	15,340	1,831,597	1,621,794
	<u>3,260,448</u>	<u>15,340</u>	<u>3,275,788</u>	<u>3,142,693</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,967,133</u>	<u>\$ 274,703</u>	<u>\$ 5,241,836</u>	<u>\$ 5,108,774</u>

APPROVED ON BEHALF OF THE BOARD:



Director



Director

**WHEATLAND HOUSING MANAGEMENT BODY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023**

	Wheatland Lodge	Social Housing	TOTAL	
	2023	2023	2023	2022
OPERATING REVENUE				
Rent revenue	\$ 1,679,119	\$ 615,689	\$ 2,294,808	\$ 2,237,908
Municipal requisitions	572,792	-	572,792	509,001
Provincial grants	278,815	144,269	423,084	448,136
Interest revenue	83,627	18,090	101,717	34,985
Cable recovery	37,652	19,481	57,133	56,262
Sundry revenue	22,866	19,936	42,802	29,608
Laundry and user fees	33,883	6,496	40,379	34,412
Utilities recovery	-	38,675	38,675	37,660
Donation revenue	16,252	-	16,252	2,550
	<u>2,725,006</u>	<u>862,636</u>	<u>3,587,642</u>	<u>3,390,522</u>
EXPENDITURES				
Wages and employee benefits	1,598,416	323,548	1,921,964	1,870,885
Utilities	212,176	210,874	423,050	430,550
Food and kitchen	364,710	-	364,710	340,589
Repairs and maintenance	79,051	246,858	325,909	277,584
Security	39,117	14,907	54,024	27,256
Cleaning supplies	24,517	23,042	47,559	38,265
Professional fees	39,674	7,750	47,424	23,118
Cable	39,646	-	39,646	40,116
Program supplies	36,880	1,401	38,281	25,688
Office	22,533	10,149	32,682	31,476
Waste removal	12,847	13,245	26,092	29,593
Insurance	20,213	2,838	23,051	20,382
Travel and convention	18,647	1,204	19,851	7,786
Licenses and memberships	7,984	4,388	12,372	11,294
Telephone	7,874	-	7,874	5,889
Interest and bank charges	2,108	1,024	3,132	3,269
Bad debt	-	1,408	1,408	654
Advertising and gifts	252	-	252	279
Covid-19 prevention and direct costs	-	-	-	46,845
	<u>2,526,645</u>	<u>862,636</u>	<u>3,389,281</u>	<u>3,231,518</u>
Operating excess of revenue over expenses	<u>198,361</u>	<u>-</u>	<u>198,361</u>	<u>159,004</u>
CAPITAL				
Amortization of deferred contributions (Note 8)	75,297	-	75,297	80,123
Loss on disposal of asset	(1,363)	-	(1,363)	(2,525)
Amortization expense	(138,045)	(1,154)	(139,199)	(151,695)
Capital deficiency of revenue over expenses	<u>(64,111)</u>	<u>(1,154)</u>	<u>(65,265)</u>	<u>(74,097)</u>
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 134,250</u>	<u>\$ (1,154)</u>	<u>\$ 133,096</u>	<u>\$ 84,907</u>

The accompanying notes form an integral part of these financial statements.

**WHEATLAND HOUSING MANAGEMENT BODY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023**

	2023		2022	
	Unrestricted	Restricted	Invested in Property & Equipment	Total
NET ASSETS, beginning of year	\$ 1,320,899	\$ 200,000	\$ 1,621,794	\$ 3,142,693
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	133,096	-	-	133,096
INVESTED IN PROPERTY AND EQUIPMENT	(275,070)	-	275,070	-
INTERFUND TRANSFERS	(39,817)	105,083	(65,266)	-
NET ASSETS, end of year	\$ 1,139,108	\$ 305,083	\$ 1,831,597	\$ 3,275,788
				\$ 3,142,693

The accompanying notes form an integral part of these financial statements.

**WHEATLAND HOUSING MANAGEMENT BODY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

OPERATING ACTIVITIES	2023	2022
Cash provided (used) by operations		
Excess of revenue over expenditures	\$ 133,096	\$ 84,907
Add non-working capital changes		
Loss on capital assets	1,363	2,525
Amortization expense	139,199	151,695
Amortization of deferred contributions	(75,297)	(80,123)
	198,361	159,004
 Net change in non-cash working capital components		
Decrease (increase) in accounts receivable	(25,845)	23,388
Decrease (increase) in Goods and Services Tax receivable	(10,749)	534
Decrease (increase) in inventory	250	(5,099)
Decrease (increase) in prepaid expenses	(746)	(5,905)
Increase (decrease) in accounts payable and accrued liabilities	51,797	(33,978)
Decrease (increase) in security deposits held	(1,383)	(2,193)
Increase (decrease) in security deposits payable	228	1,817
Increase (decrease) in deferred revenue	23,239	(31,354)
	36,791	(52,790)
Cash provided (used) by operations	235,152	106,214
 INVESTING ACTIVITIES		
Additions to property and equipment	(275,070)	(22,897)
Cash provided (used) by investing	(275,070)	(22,897)
 Net cash increase (decrease) during the year	(39,918)	83,317
 Cash, beginning of the year	1,890,071	1,806,754
 Cash, end of the year	\$ 1,850,153	\$ 1,890,071

**WHEATLAND HOUSING MANAGEMENT BODY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1) Purpose of the Organization

Wheatland Housing Management Body ("The Management Body") is an organization operating and managing social programs aimed at providing affordable housing to low-income Alberta residents who are the most in need. The organization is established as a management body by the provincial ministerial order and is governed by the Alberta Housing Act and its regulations. The management body is a registered Canadian charitable organization operating senior and social housing.

2) Significant Accounting Policies and Reporting Practices

A. Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

B. Basis of Accounting

Wheatland Housing Management Body follows the deferral method of accounting for contributions.

C. Revenue Recognition

Unrestricted contributions are recognized as revenue in the year received, or receivable.

Externally restricted non-capital contributions are deferred and recognized as revenue in the year when the related expenses are incurred.

Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions.

Unamortized external capital contributions are recognized in the periods in which the related amortization expense of the funded capital asset is recorded.

Unrestricted investment income is recognized in the year it is earned.

Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

D. Inventory

Inventory includes food, supplies and linens and is measured at the lower of cost and replacement value. Cost is determined using the first-in, first-out method.

E. Property and Equipment

Property and equipment are stated at cost or deemed cost less accumulated amortization. Contributed property and equipment are recorded at fair market value at the date of contribution.

Property and equipment are amortized over their useful lives on a declining balance basis at the following rates:

Vehicles	30%
Furniture and equipment	20%
Building	5%
Leasehold improvements	5%
Land improvements	5%

The half year rule is in effect in the year of acquisition. No amortization is taken in the year of disposition.

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WHEATLAND HOUSING MANAGEMENT BODY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2) Significant Accounting Policies and Reporting Practices (continued)

F. Income Taxes

As a registered not-for-profit organization, the organization is exempt from paying income taxes under Section 149(1)(f) of the Income Tax Act.

G. Government Assistance

Funding to finance operating expenses is provided by Municipal Requisitions and the Province of Alberta. The funding is recorded as revenue when earned in the Statement of Operations.

H. Contributed Assets

Senior self-contained and social housing projects capital assets are owned by Alberta Seniors and Housing.

Due to the difficulty of determining the fair value, contributed assets and related expenses, are not recognized in the financial statements, unless otherwise noted.

I. Contributed Services

The Lodge operation is exempt from paying municipal property tax.

Volunteers contribute an undeterminable number of hours each year to assist the organization in carrying out its service delivery activities.

Due to the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

J. Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

3) Cash

	2023	2022
Lodge		
Bank	\$ 1,610,973	\$ 1,696,438
Due from Social Housing	30,994	17,318
Petty cash	1,867	1,028
Chinook Credit Union Ltd. - common shares	748	709
	\$ 1,644,582	\$ 1,715,493
 Social Housing		
Bank	\$ 236,565	\$ 191,611
Petty cash	-	285
Due to Lodge	(30,994)	(17,318)
	\$ 205,571	\$ 174,578
	\$ 1,850,153	\$ 1,890,071

The Management Body holds \$40,416 that is restricted in use.

**WHEATLAND HOUSING MANAGEMENT BODY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4) Property and Equipment

	2023			2022
	Cost	Accumulated Amortization	Net Book Value	<i>Net Book Value</i>
Land	\$ 76,490	\$ -	\$ 76,490	\$ 76,490
Vehicles	105,624	88,896	16,728	23,898
Furniture and equipment	672,366	596,588	75,778	84,013
Buildings	7,016,941	3,996,644	3,020,297	2,868,558
Leasehold improvements	19,947	6,366	13,581	14,296
Land improvements	81,960	60,836	21,124	22,236
	\$ 7,973,328	\$ 4,749,330	\$ 3,223,998	\$ 3,089,491

5) Accounts Payable and Accrued Liabilities

	2023	2022
Lodge		
Payroll accrued liabilities	\$ 221,110	\$ 201,813
Trade accounts payable and accrued liabilities	93,175	70,347
	\$ 314,285	\$ 272,160
Social Housing		
Due to Senior Housing Alberta Corp.	\$ 88,304	\$ 70,059
Trade accounts payable and accrued liabilities	29,922	38,495
	118,226	108,554
	\$ 432,511	\$ 380,714

6) Direct Rent Advances

Direct rent advances consists of funds received from Alberta Seniors, Housing Divisions for operating expenses. Should these funds be utilized, they are required to be replenished by Wheatland Housing Management Body - Social Housing. This balance is recallable on demand by Alberta Seniors and Housing.

	2023	2022
Direct rent advances	\$ 60,000	\$ 60,000

**WHEATLAND HOUSING MANAGEMENT BODY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

7) Operating Reserve Fund Payable

Alberta Seniors and Housing has provided \$202.35 per unit for 85 units to Social Housing as an operating reserve fund. These funds are to be used in an emergency situation.

8) Unamortized External Capital Contributions

	2022	Increases	Decreases	2023
Building	\$ 822,099	\$ -	\$ 41,104	\$ 780,995
Sprinkler system	541,193	-	27,060	514,133
Call bell system	96,756	-	4,838	91,918
Activity van	7,649	-	2,295	5,354
	<u>\$ 1,467,697</u>	<u>\$ -</u>	<u>\$ 75,297</u>	<u>\$ 1,392,400</u>

The unamortized capital contributions will be recognized in revenue as the related amortization expense for the capital addition is incurred. An amount of \$75,297 (2022 - \$80,123), which represents the current year amortization on these projects, has been recognized as income in the current year.

9) Internally Restricted Funds

	2022	Increases	Decreases	2023
Restricted capital reserve	\$ 150,000	\$ 155,083	\$ -	\$ 305,083
Restricted equity reserve	50,000	-	50,000	-
	<u>\$ 200,000</u>	<u>\$ 155,083</u>	<u>\$ 50,000</u>	<u>\$ 305,083</u>

The Board of Directors had approved a restriction of \$305,083 for a capital reserve fund.

**WHEATLAND HOUSING MANAGEMENT BODY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

10) Financial Instruments

The organization's financial instruments consist of: cash, accounts receivable, security deposits held, accounts payable and accrued liabilities, direct rent advances, security deposits payable and operating reserve fund payable. The risks attached to these financial instruments are as follows:

Credit Risk

Credit risk arises from the possibility that the entities to which the organization provides services may experience financial difficulty and be unable to fulfill their obligations. The organization is exposed to financial risk that arises from the credit quality of the entities to which it provides services. As the organization provides services to a variety of customers, its credit risk is minimized.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risk from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk from the return on its investments. The organization manages its investment portfolio on the basis of its cash requirements and to optimize its interest income.

Fair Value

The fair values of cash, accounts receivable, security deposits held, accounts payable and accrued liabilities, direct rent advances and security deposits payable correspond closely to their carrying amount because of their short-term maturity dates.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Trade accounts payable and accrued liabilities are generally repaid within 30 days.

11) Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.