WHEATLAND HOUSING MANAGEMENT BODY

Financial Statements

Year Ended December 31, 2025

WHEATLAND HOUSING MANAGEMENT BODY

Index to Financial Statements

Year Ended December 31, 2025

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

GHA GREGORY HARRIMAN & ASSOCIATES LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2025, 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, 2025, 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.

Gregory, Harriman & Associates LLP

Strathmore, Alberta
March 19, 2026

Gregory, Harriman & Associates LLP
Chartered Professional Accountants

WHEATLAND HOUSING MANAGEMENT BODY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Wheatland Lodge	Social Housing	TOTAL	
	2025	2025	2025	*2024*
CURRENT ASSETS				
Cash *(Note 3)*	$ 1,340,864	$ 313,877	$ 1,654,741	$ *1,437,464*
Accounts receivable	8,523	1,782	10,305	*40,153*
Goods and Services Tax receivable	30,986	221	31,207	*57,311*
Inventory	51,544	-	51,544	*53,995*
Prepaid expenses	-	39,583	39,583	32,502
Security deposits held	-	29,772	29,772	*24,618*
	1,431,917	385,235	1,817,152	*1,646,043*
PROPERTY AND EQUIPMENT *(Note 4)*	3,286,898	13,384	3,300,282	*3,386,808*
TOTAL ASSETS	$ 4,718,815	$ 398,619	$ 5,117,434	$ *5,032,851*
CURRENT LIABILITIES				
Accounts payable and accrued liabilities *(Note 5)*	$ 354,894	$ 26,549	$ 381,443	$ *376,302*
Direct rent advances *(Note 6)*	-	60,000	60,000	*60,000*
Deferred revenue *(Note 7)*	-	255,361	255,361	*150,460*
Security deposits payable	-	26,126	26,126	*22,370*
	354,894	368,036	722,930	*609,132*
OPERATING RESERVE FUND PAYABLE *(Note 8)*	-	17,200	17,200	*17,200*
UNAMORTIZED EXTERNAL CONTRIBUTIONS *(Note 9)*	1,389,221	-	1,389,221	*1,456,229*
	1,744,115	385,236	2,129,351	*2,082,561*
NET ASSETS				
Unrestricted	1,077,024	-	1,077,024	*1,019,712*
Invested in property and equipment	1,897,676	13,383	1,911,059	*1,930,578*
	2,974,700	13,383	2,988,083	*2,950,290*
TOTAL LIABILITIES AND NET ASSETS	$ 4,718,815	$ 398,619	$ 5,117,434	$ *5,032,851*

APPROVED ON BEHALF OF THE BOARD: _____ Director _____ Director

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

WHEATLAND HOUSING MANAGEMENT BODY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025

	Wheatland Lodge	Social Housing	TOTAL	
	2025	2025	2025	*2024*
OPERATING				
REVENUE				
Rent revenue	$ 1,847,591	$ 666,528	$ 2,514,119	*$ 2,444,552*
Provincial grants	400,223	247,391	647,614	*634,207*
Municipal requisitions	448,574	-	448,574	*438,543*
Sundry revenue	29,389	33,105	62,494	*49,835*
Cable recovery	38,592	19,323	57,915	*59,216*
Interest revenue	37,107	13,879	50,986	*83,781*
Laundry and user fees	37,482	6,568	44,050	*41,389*
Utilities recovery	-	30,012	30,012	*13,114*
Donation revenue	23,147	-	23,147	*4,250*
	2,862,105	1,016,806	3,878,911	*3,768,887*
EXPENDITURES				
Wages and employee benefits	1,755,702	372,844	2,128,546	*2,021,587*
Repairs and maintenance	163,636	322,966	486,602	*843,405*
Food and kitchen	403,266	-	403,266	*376,629*
Utilities	183,550	200,567	384,117	*426,535*
Security	30,950	37,299	68,249	*102,604*
Office	42,784	12,081	54,865	*29,123*
Cleaning supplies	24,682	29,189	53,871	*48,472*
Professional fees	32,575	11,250	43,825	*37,844*
Cable	42,129	-	42,129	*40,897*
Insurance	22,296	5,254	27,550	*24,097*
Program supplies	23,552	899	24,451	*26,504*
Waste removal	11,592	9,793	21,385	*21,957*
Licenses and memberships	7,992	6,617	14,609	*15,381*
Travel and convention	7,070	4,124	11,194	*9,966*
Bad debt	5,132	2,730	7,862	*1,462*
Telephone	7,707	-	7,707	*7,497*
Interest and bank charges	2,082	1,193	3,275	*2,504*
	2,766,697	1,016,806	3,783,503	*4,036,464*
Operating excess (deficiency) of revenue over expenses	95,408	-	95,408	*(267,577)*
CAPITAL				
Amortization of deferred contributions *(Note 9)*	67,008	-	67,008	*70,959*
Amortization expense	(123,696)	(926)	(124,622)	*(128,880)*
Capital deficiency of revenue over expenses	(56,688)	(926)	(57,614)	*(57,921)*
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ 38,720	$ (926)	$ 37,794	*$ (325,498)*

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, 2025

	2025 Unrestricted	2025 Invested in Property & Equipment	2025 Total	*2024 Total*
NET ASSETS, beginning of year	**$ 1,019,712**	**$ 1,930,578**	**$ 2,950,290**	*$ 3,275,788*
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	**37,794**	**-**	**37,794**	*(325,498)*
INVESTED IN PROPERTY AND EQUIPMENT	**19,518**	**(19,518)**	**-**	**-**
NET ASSETS, end of year	**$ 1,077,024**	**$ 1,911,059**	**$ 2,988,083**	*$ 2,950,290*

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

WHEATLAND HOUSING MANAGEMENT BODY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Cash provided (used) by operations		
Excess of revenue over expenditures	**$ 37,794**	*$ (325,498)*
Add non-working capital changes		
Amortization expense	**124,622**	*128,880*
Amortization of deferred contributions	**(67,008)**	*(70,959)*
	95,408	*(267,577)*
Net change in non-cash working capital components		
Decrease (increase) in accounts receivable	**29,848**	*(13,183)*
Decrease (increase) in Goods and Services Tax receivable	**26,104**	*(23,987)*
Decrease (increase) in inventory	**2,451**	*644*
Decrease (increase) in prepaid expenses	**(7,081)**	*(4,853)*
Increase (decrease) in accounts payable and accrued liabilities	**5,142**	*(56,208)*
Decrease (increase) in security deposits held	**(5,154)**	*485*
Increase (decrease) in security deposits payable	**3,754**	*(1,152)*
Increase (decrease) in deferred revenue	**104,901**	*110,044*
	159,965	*11,790*
Cash provided (used) by operations	**255,373**	*(255,787)*
INVESTING ACTIVITIES		
Additions to property and equipment	**(38,096)**	*(291,690)*
Additions to unamortized external contributions	**-**	134,788
Cash provided (used) by investing	**(38,096)**	*(156,902)*
Net cash increase (decrease) during the year	**217,277**	*(412,689)*
Cash, beginning of the year	**1,437,464**	*1,850,153*
Cash, end of the year	**$ 1,654,741**	*$ 1,437,464*

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

WHEATLAND HOUSING MANAGEMENT BODY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 (ASNFPO).

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.

Municipal requisitions are recognized in the year in which they are earned.

Rental revenue, cable recovery, laundry and user fees, sundry revenue, and utilities recovery are recognized in the year it is earned.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

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

D. *Cash*

Cash consists of balances held with banks.

E. *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.

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2) **Significant Accounting Policies and Reporting Practices** *(continued)*

F. *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.

G. *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.

H. *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.

I. *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.

J. *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.

K. *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.

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2) Significant Accounting Policies and Reporting Practices *(continued)*

L. *Measurement Uncertainty*

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, The precise value of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of approximations, which have been made using careful judgment by management. Actual results could differ from those approximations.

The significant areas requiring the use of management's estimates include amortization of capital assets, and unamortized capital contributions.

The useful lives and related amortization of capital assets is an area where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

3) Cash

	2025	*2024*
Lodge		
Bank	**$ 1,266,874**	*$ 1,145,648*
Due from Social Housing	**70,077**	*42,411*
Petty cash	**3,127**	*1,536*
Chinook Credit Union Ltd. - common shares	**786**	*786*
	$ 1,340,864	*$ 1,190,381*
Social Housing		
Bank	**$ 383,954**	*$ 289,494*
Due to Lodge	**(70,077)**	*(42,411)*
	$ 313,877	*$ 247,083*
	$ 1,654,741	*$ 1,437,464*

The Management Body holds funds that are restricted in use to be utilized by Social Housing. Since this funding has not been utilized, $223,492 *(Note 7)* is not available for general use.

4) Property and Equipment

			2025	*2024*
	Cost	Accumulated Amortization	Net Book Value	*Net Book Value*
Land	$ 76,490	$ -	**$ 76,490**	*$ 76,490*
Vehicles	143,719	103,141	**40,578**	*11,710*
Furniture and equipment	672,366	623,868	**48,498**	*60,623*
Buildings	7,308,631	4,205,237	**3,103,394**	*3,205,015*
Leasehold improvements	19,947	7,690	**12,257**	*12,902*
Land improvements	81,960	62,895	**19,065**	*20,068*
	$ 8,303,113	$ 5,002,831	**$ 3,300,282**	*$ 3,386,808*

5) Accounts Payable and Accrued Liabilities

	2025	2024
Lodge		
Payroll accrued liabilities	$ 272,124	$ 241,927
Trade accounts payable and accrued liabilities	82,770	77,471
	$ 354,894	$ 319,398
Social Housing		
Trade accounts payable and accrued liabilities	$ 26,549	$ 56,904
	26,549	56,904
	$ 381,443	$ 376,302

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.

	2025	2024
Direct rent advances	$ 60,000	$ 60,000

7) Deferred Revenue

	2024	Increases	Decreases	2025
Deferred operating reserve funds	$ 130,595	92,897	-	$ 223,492
Rent supplement	19,865	436,864	424,861	31,869
	$ 150,460	$ 529,761	$ 424,861	$ 255,361

Deferred operating reserve funds are funds restricted for use by Social Housing to be utilized if the deficit funding is insufficient in the year. Total funds of $223,492 are restricted in their use and are covered by cash held (*Note 3*) . The timing of the utilization of these funds cannot be reasonably determined; accordingly, the balance is presented as a current liability until the funds are utilized.

8) 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.

9) Unamortized External Capital Contributions

	2024	Increases	Decreases	2025
Building	$ *741,945*	-	37,097	$ **704,848**
Sprinkler system	*488,426*	-	24,421	**464,005**
CMHC seed funds	*134,788*	-	-	**134,788**
Call bell system	*87,322*	-	4,366	**82,956**
Activity van	*3,748*	-	1,124	**2,624**
	$ 1,456,229	$ -	$ 67,008	$ **1,389,221**

The unamortized capital contributions will be recognized in revenue as the related amortization expense for the capital addition is incurred. An amount of $67,008 (2024 - $70,959), which represents the current year amortization on these projects, has been recognized as income in the current year.

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.