



BANFF HOUSING CORPORATION

AGENDA ORDER OF BUSINESS

May 15, 2025

8:30-10:30

Ted Langridge (hybrid participation option)

BHC Vision	BHC Mission	BHC Purpose
To provide Banff residents with a place to call home while fostering engaged and connected communities.	To provide a wide range of below-market housing options for residents of Banff National Park that support the needs of our community within our built environment.	To manage the current and future homeownership and rental portfolios.

- 1.0 LAND ACKNOWLEDGEMENT
- 2.0 CALL TO ORDER
- 3.0 APPROVAL OF AGENDA
- 4.0 ADOPTION OF PREVIOUS MINUTES & PUBLIC ATTACHMENTS
- 5.0 NEW BUSINESS
 - 5.1 Verbal briefing KPMG 2024 Audited Statements Review
 - 5.2 Recommendation that the BHC Board pursuant to Section 24 (Advice from officials) of the Freedom of Information and Protection of Privacy Act, move into closed session to receive advice from representatives of KPMG LLP Chartered Accountants, the Town of Banff external auditors, and further that the following individuals be invited into Council's closed meeting discussions:
 - Colin Mitchel, CA Partner – Audit, KPMG Enterprises; and
 - Taylor Thompson, Senior Manager, KPMG Enterprises
 - 5.3 Request for Decision - Approve the 2024 BHC Audited Financial Statements
 - 5.4 NBLC – Future Planning
 - 5.5 Verbal briefing – 2024 Strategic Framework Review update
- 6.0 ADMINISTRATIVE STAFF UPDATES
- 7.0 CONFIDENTIAL ITEMS
- 8.0 FINANCIAL
 - 8.1 Verbal briefing - Q1 2025 Budget Report
 - 8.2 Request for Decision – Approval of the 2024 Community Housing Reserve Fund Transfer



BANFF HOUSING CORPORATION

- 8.3 Request for Decision - Operating Surplus Transfer Request
- 9.0 NEXT MEETING
 - June 19, 2025
- 10.0 MOTION TO ADJOURN

Agenda Distribution

1 Administration, 4 Public Members, 2
Town Council Members



BANFF HOUSING CORPORATION

MINUTES OF THE BANFF HOUSING CORPORATION

In-person / Zoom

April 23, 2025

BOARD MEMBERS PRESENT

Jeffrey Carpenter	Public Member Director
Pam Traut	Public Member Director
Mark Walker	Public Member Director - Chair
Lauren Aebig	Town of Banff Senior Administration (remote)
Kaylee Ram	Council Representative (remote)
Melanie Petelle	Public Member Director -Vice Chair

BOARD MEMBERS ABSENT

Barb Pelham	Council Representative
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ADMINISTRATION

Heather Bolt	BHC Operations Supervisor
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BHC VISION

To provide Banff residents a place to call home while fostering engaged and connected communities.

BHC MISSION

To provide a wide range of below-market housing options for residents of Banff National Park that support the needs of our community within our built environment.

1.0 Land Acknowledgment: M. Walker

2.0 CALL TO ORDER

BHC25-24 M. Walker called the April 23, 2025, meeting of the Banff Housing Corporation to order at 8:30 a.m.

3.0 APPROVAL OF AGENDA

BHC25-25 Moved by M. Petelle to approve agenda

CARRIED

4.0 ADOPTIONS OF MINUTES & PUBLIC ATTACHMENTS

BHC25-26 Moved by M. Petelle to approve the March 26, 2025, minutes as amended. **CARRIED**

5.0 DELEGATIONS – NBLC – Nick Michael

- BHC25-27** M. Walker moved the BHC Board members, under Sections 23 (Local Public Body Confidence) and section 24 (advice from officials) and section 27 (privileged information) of the Freedom of Information and Protection of Privacy Act, recess at 8:33 a.m. to the call of the chair, to reconvene in a closed meeting, to be conducted in the Ted Langridge room, to consider confidential matters with respect to confidential information on the NBLC Land economist report. **CARRIED**
- BHC25-28** M. Walker moved that the BHC board rise and report. BHC board reconvened in a public meeting at 9:21 a.m. with Mark Walker in the Chair. **CARRIED**

6.0 NEW BUSINESS

6.1 RFD - Formal motion E-vote results

- BHC25-29** M. Petelle moved to approve Leader Quote for service to commence specified renovation work to Unit 2, Moffat Manor.
In favour: L. Aebig, K. Ram, P. Traut, M. Walker, M. Petelle.
Opposed: J. Carpenter. **CARRIED**

6.2 RFD – Media and Relations Policy

- BHC25-30** L. Aebig moved to approve the Media and Relations Policy as presented. **CARRIED**

6.3 RFD – Sublease Enforcement and Homeowner Compliance Policy

- BHC25-31** M. Walker moved to approve the Sublease Enforcement and Homeowner Policy as presented effective 2026. **CARRIED**

6.4 2024 Strategic Framework Review

BHC Administration directed to compile 2024 highlights and success to present at the May 15, 2025, board meeting.

6.5 Written Submission

- BHC25-32** M. Walker moved the BHC Board members, under Sections 23 (Local Public Body Confidence) and section 24 (advice from officials) and section 27 (privileged information) of the Freedom of Information and Protection of Privacy Act, recess at 9:53 a.m. to the call of the chair, to reconvene in a closed meeting, to be conducted in the Ted Langridge room, to consider confidential matters with respect a written submission. **CARRIED**
- BHC25-33** P. Traut moved that the BHC board rise and report. BHC board reconvened in a public meeting at 10:19 a.m. with Mark Walker in the Chair. **CARRIED**

7.0 ADMINISTRATIVE STAFF UPDATES

7.1 BHC

7.1.1 Verbal Briefing AMG preparation

7.1.2 Verbal Briefing Newsletter update

8.0 CONFIDENTIAL ITEMS

None.

9.0 FINANCIAL

None.

10.0 NEXT MEETING DATE

Thursday, May 15, 2025

11.0 MOTION TO ADJOURN

BHC25-34 M. Walker moved to adjourn at 10:29 a.m.

CARRIED

Heather Bolt

Recording Secretary

Financial Statements of

BANFF HOUSING CORPORATION

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Banff Housing Corporation

Opinion

We have audited the financial statements of Banff Housing Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, its results of operations, its remeasurement of gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards including the 4200 series of 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 auditor's report.

We are independent of the Entity 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 including the 4200 series of



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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.

DRAFT

Calgary, Canada

May 15, 2025

BANFF HOUSING CORPORATION

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash (note 3)	\$ 1,781,199	\$ 1,357,118
Accounts receivable (note 4)	63,914	610,292
Prepaid expenses	—	849
Inventory (note 13)	—	352,185
	1,845,113	2,320,444
Tangible capital assets (note 5)	9,903,620	10,096,047
Second mortgages receivable (note 6)	802,500	833,000
	\$12,551,233	\$13,249,491
Liabilities and Net Assets		
Current liabilities:		
Bank indebtedness (note 3)	\$ —	\$ 517,833
Due to Town of Banff (note 9)	470,421	611,017
Accounts payable and accrued liabilities (note 3)	51,706	21,272
Tenant deposits	156,266	153,539
	678,393	1,303,661
Due to Town of Banff (note 9)	9,644,220	9,959,090
Deferred revenue (note 6)	802,500	833,000
	11,125,113	12,095,751
Net assets:		
Deficit invested in tangible capital assets	(55,470)	(167,827)
Internally restricted net assets	1,170,637	1,018,437
Unrestricted net assets	310,953	303,130
	1,426,120	1,153,740
Economic dependence (note 10)		
	\$ 12,551,233	\$ 13,249,491

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

Director

Director

BANFF HOUSING CORPORATION

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue (Schedule 1):		
Rentals	\$1,948,074	\$1,888,606
Sale of properties (note 13)	352,185	13,236,652
Fees	107,523	191,926
Interest	102,065	99,223
Grant income	4,226	1,540
Contribution from Town of Banff (note 13)	—	658,355
	<u>2,514,073</u>	<u>16,076,302</u>
Expenses (Schedule 1):		
Rental operating expenses	552,039	549,822
Wages, management fees and benefits	362,625	331,974
Cost of sales of properties (note 13)	352,185	14,562,674
Interest on amounts due to Town of Banff	339,618	349,380
Community Housing Reserve contribution (note 11)	272,978	253,901
Amortization	202,081	201,828
Professional fees	112,784	44,301
Office supplies, postage and other	19,602	27,277
Interest on bank indebtedness	11,396	34,240
Insurance	6,819	17,061
Telephone	4,963	5,726
Advertising and promotion	3,568	3,674
Appraisals	1,035	1,015
	<u>2,241,693</u>	<u>16,382,873</u>
Excess (deficiency) of revenue over expenses	\$ 272,380	\$ (306,571)

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

December 31, 2024	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets	2024
Balance, beginning of year	\$ (167,827)	\$ 1,018,437	\$ 303,130	\$ 1,153,740
Acquisition of tangible capital assets	9,654	—	(9,654)	—
Ti'nu debt repayment	304,784	—	(304,784)	—
Transfer between funds (note 7)	—	30,500	(30,500)	—
(Deficiency) excess of revenue over expenses	(202,081)	121,700	352,761	272,380
	\$ (55,470)	\$ 1,170,637	\$ 310,953	\$ 1,426,120

December 31, 2023	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets (deficit)	2023
Balance, beginning of year	\$ 1,010,840	\$ 759,932	\$ (310,461)	\$ 1,460,311
Acquisition of tangible capital assets	22,558	—	(22,558)	—
Disposal of land (note 13)	(2,598,480)	—	2,598,480	—
Ti'nu debt repayment	295,021	—	(295,021)	—
Aster land debt repayment	1,304,062	—	(1,304,062)	—
Transfer between funds (note 7)	—	96,500	(96,500)	—
(Deficiency) excess of revenue over expenses	(201,828)	162,005	(266,748)	(306,571)
	\$ (167,827)	\$ 1,018,437	\$ 303,130	\$ 1,153,740

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) excess of revenue over expenses	\$ 272,380	\$ (306,571)
Items not affecting cash		
Amortization	202,081	201,828
Loss on disposal of land	—	2,598,480
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	546,378	(561,815)
Decrease in prepaid expenses	849	—
(Decrease) increase in amounts due to Town of Banff	(150,682)	140,004
Increase (decrease) in accounts payable and accrued liabilities	30,434	(8,906)
Increase (decrease) in tenant deposits	2,727	(237)
Decrease (increase) in inventory	352,185	(352,185)
	1,256,352	1,710,598
Investing activities:		
Purchase of tangible capital assets	(9,654)	(22,558)
Cash received for second mortgages receivable (note 6)	30,500	96,500
Net change in deferred revenue	(30,500)	(96,500)
	(9,654)	(22,558)
Financing activities:		
Repayment of principal for Ti'nu Development and Contributions	(304,784)	(295,022)
Repayment for Aster land transfer	—	(1,304,062)
Repayment of bank indebtedness	(517,833)	(26,000)
	(822,617)	(1,625,084)
Increase in cash	424,081	62,956
Cash, beginning of year	1,357,118	1,294,162
Cash, end of year	\$ 1,781,199	\$ 1,357,118

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Notes to the Financial Statements

Year ended December 31, 2024, with comparative information for 2023

The Banff Housing Corporation (the "Corporation") was incorporated as a non-profit organization to provide value priced housing to residents of the Town of Banff, and as such is not subject to income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) including the 4200 standards for government not-for-profit organizations. The Corporation follows the PSAS Section 1201 "Financial Statement Presentation", which includes a statement of re-measurement gains and losses. This statement reports amounts reclassified to the statement of operations upon de-recognition or settlement and other comprehensive income reported when an entity includes the result of its government business enterprises and government business partnerships in the summary of financial statements. There were no amounts to report on the statement of re-measurement gains and losses, and as a result this statement has not been included.

(a) Revenue recognition:

The Corporation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. 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.

Unrestricted interest income is recognized as revenue when earned.

Property sales are recognized based on the completed contract method when ownership of each unit is transferred from the Corporation to each homeowner.

Rental revenue including fees are recognized as revenue during the period in which the services are performed and collectability is reasonably assured.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 2

Year ended December 31, 2024, with comparative information for 2023

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

Unless otherwise noted, it is the Corporation's opinion that it is not exposed to significant interest rate, currency, liquidity or credit risks arising from its financial instruments.

(c) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include the valuation of accounts receivable and the estimated useful lives of tangible capital assets. Actual results could differ from the estimates made by the Corporation as additional information becomes available in the future.

(d) Tangible capital assets:

Purchased tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. When a tangible capital asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

The costs less residual value of the tangible capital assets are amortized over their estimated as follows:

Rental property equipment	Declining balance	10 years
Condominiums	Declining balance	25 years
Computer equipment	Declining balance	5 years
Ti'nu building	Declining balance	55 years
Ti'nu landscaping	Declining balance	50 years
Ti'nu vehicles	Declining balance	15 years
Ti'nu bins	Declining balance	15 years
Furniture and fixtures	Declining balance	10 years
Computer software	Declining Balance	10 years

(e) Equity interest:

The Corporation does not record its equity interest upon the sale of the Corporation's property unless the Corporation sells all or any portion of the equity interest in the transaction (note 8).

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 3

Year ended December 31, 2024, with comparative information for 2023

1. Significant accounting policies (continued):

(f) Cash:

Cash is comprised of cash deposits held with Canadian chartered banking institutions.

(g) Asset retirement obligation:

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. A liability for an asset retirement obligation is recognized when, as the reporting date:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed. Changes in estimates are recognized as a change to both the liability and the related tangible capital asset in the statement of financial position.

(h) Inventory:

Inventory held for sale is recorded at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 4

Year ended December 31, 2024, with comparative information for 2023

1. Significant accounting policies (continued):

(i) Change in accounting policy:

(i) PSAS Section 3400, Revenue

Effective January 1, 2024, the Corporation adopted the new accounting standard PS 3400, Revenue. The standard was applied prospectively from the date of adoption. The new standard provides comprehensive requirements for the recognition, measurement, presentation, and disclosure of revenue, enhancing clarity on the difference between exchange and non-exchange transactions.

The adoption of PS 3400, Revenue did not result in changes to the Corporation's accounting policies.

(ii) PSAS Section 3160, Public Private Partnerships

Effective January 1, 2024, the Corporation adopted the new accounting standard PS 3160, Public Private Partnerships related to partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

Infrastructure assets are initially measured at cost and amortized over the useful life of the asset. An offsetting liability is initially measured at the same amount as the asset and subsequently measured at amortized cost.

The adoption of PS 3160, Public Private Partnerships did not result in any changes to the Company's accounting policies. As at December 31, 2024, the Corporation does not have any public private partnerships.

(iii) Public Sector Guideline PSG-8, Purchased Intangibles

Effective January 1, 2024, the Corporation adopted the new accounting guideline PSG-8, Purchased Intangibles related to non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act.

Amounts are initially measured at cost and subsequently at cost less accumulated amortization and impairment adjustments.

The adoption of PSG-8, Purchased Intangibles did not result in any changes to the Corporation's accounting policies. As at December 31, 2024, the Corporation does not have any purchased intangibles.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 5

Year ended December 31, 2024, with comparative information for 2023

2. Future accounting policies:

The Public Sector Accounting Board ("PSAB") recently announced the following accounting pronouncements:

a) PS 1202 Financial statement presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard takes effect for annual reporting periods beginning on or after April 1, 2026.

b) Conceptual Framework

The Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgement is applied. It will replace the conceptual aspects of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives. This new framework takes effect for annual reporting periods beginning on or after April 1, 2026.

Management is currently in the process of assessing the impact of the adoption of these standards.

3. Cash/bank indebtedness:

Cash generates returns at the bank's prime rate minus 0.65% per annum (2023 – bank's prime rate minus 0.65%).

The bank has authorized a demand operating line of credit to the Corporation in the amount of \$650,000 (2023 – \$650,000), in addition to an overdraft lending account of up to \$345,000 (2023 – \$345,000). The line of credit is guaranteed by the Town of Banff and bears interest at the bank's prime rate minus 0.5% per annum (2023 – bank's prime rate minus 0.5%). As at December 31, 2024 there was \$nil (2023 – \$517,833) drawn against the line of credit and \$nil (2023 – \$nil) in overdraft. Additionally, the bank has authorized commercial letters of credit up to a maximum of \$300,000 (2023 – \$300,000), and corporate MasterCards to a maximum of \$10,000 (2023 – \$50,000). As of December 31, 2024, \$nil was outstanding on commercial letters of credit (2023 – \$nil) and \$2,246 was outstanding on the corporate MasterCards (2023 – \$4,468), which is included in accounts payable and accrued liabilities.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 6

Year ended December 31, 2024, with comparative information for 2023

4. Accounts receivable:

	2024	2023
Amounts outstanding for one year or less	\$ 30,441	\$ 571,332
Amounts outstanding for more than one year	33,473	38,960
	<u>\$ 63,914</u>	<u>\$ 610,292</u>

Included in accounts receivable as at December 31, 2024 are government remittances receivable of \$3,891 (2023 – \$548,228) relating to federal sales taxes.

5. Tangible capital assets:

	Cost	Accumulated amortization	Net book value	Net book value
			2024	2023
Land	\$ 597,168	\$ –	\$ 597,168	\$ 597,168
Rental property equipment	2,710	1,490	1,220	1,491
Condominiums	319,432	175,573	143,859	140,285
Computer equipment	3,707	3,485	222	333
Ti'nu building	9,836,164	1,158,047	8,678,117	8,856,956
Ti'nu landscaping	498,930	64,861	434,069	444,048
Ti'nu vehicles	45,485	19,710	25,775	28,807
Ti'nu bins	25,427	11,018	14,409	16,104
Furniture and fixtures	14,325	8,429	5,896	7,329
Computer software	6,411	3,526	2,885	3,526
	<u>\$ 11,349,759</u>	<u>\$ 1,446,139</u>	<u>\$ 9,903,620</u>	<u>\$ 10,096,047</u>

On July 11, 2003, the Corporation assumed a lease agreement from Government of Canada for two condominium units. The lease is treated as capital in nature as it transferred substantially all the benefits and risks incident to ownership of the property to the Corporation. These contributed assets were recorded at their fair value on the date of assignment of the lease, as per the accounting policy. Amortization has been recorded on these assets since July 11, 2003.

The Ti'nu Development is co-owned with the Alberta Social Housing Corporation ("ASHC"). In 2019, an agreement was signed between the ASHC and the Corporation, indicating that each party holds a 50% ownership interest in the leasehold regardless of actual contribution of each party. The Corporation is the operator of the Ti'nu Development and capitalizes its share of assets. The Corporation records all revenues and expenses related to the development. The ASHC shall be consulted on development and management responsibilities and will require annual audited financial statements of the Corporation to be submitted to the ASHC.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 7

Year ended December 31, 2024, with comparative information for 2023

6. Second mortgages receivable/deferred revenue:

Deferred revenue arose from mortgages receivable with respect to the Middle Springs I housing development in the Town of Banff. The mortgages are registered against the titles of the properties but become due only when the initial owner ceases to reside in the Middle Springs I development. The full amount of the mortgages is recorded as non-current second mortgage receivable and deferred revenue. When a mortgage becomes due, the revenue is recognized.

During the year, the Corporation collected \$30,500 (2023 – \$96,500) towards second mortgages receivable.

During the year, the Corporation spent \$25,100 (2023 – \$nil) on eligible expenditures to be funded from its internally restricted second mortgages revenue.

7. Internally restricted net assets:

The Corporation has a policy to internally restrict second mortgage revenue. During 2024, \$30,500 of this revenue (2023 – \$96,500) was restricted internally.

During the year, the Corporation established the BHC Budget Surplus Reserve Fund to internally restrict the annual surplus remaining after fulfilling certain obligations including the payment of principal debt payments (note 9), the Community Housing Reserve contribution (note 11), capital replacement contributions and the restriction of second mortgage revenues. The restricted funds are designated for the purpose of covering certain operational expenditures. During 2024, \$21,470 (2023 – \$nil) was restricted internally.

The Corporation has a policy to internally restrict funds for ongoing capital maintenance requirements for the Ti'nu Development. During 2024, \$121,724 of this revenue (2023 – \$118,178) was restricted internally.

8. Investment – equity interest in housing units at cost:

The purpose of the Corporation is to provide value priced housing to long-term residents of the Town of Banff. The Corporation attempts to meet this objective by developing and selling housing units to homeowners at the actual costs required to construct the housing units. The Corporation retains an equity interest in each unit that it sells. This equity interest is determined at the time each unit is initially sold to each homeowner and is calculated as the difference between the fair market value of the unit (determined by an independent appraiser) and the sale price of the unit when it is initially sold to each homeowner.

As at December 31, 2024, there were 216 properties (2023 – 216) in the Corporation's value priced housing portfolio, and the equity interest ranged from 13% to 35% of the fair market value of each property.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 8

Year ended December 31, 2024, with comparative information for 2023

8. Investment – equity interest in housing units at cost (continued):

This equity interest is not recognized in the financial statements as the timing and amount of consideration that could eventually be realized by the Corporation for this equity interest is not determinable. However, per the terms of its sublease agreement with sub lessees (homeowners) the Corporation can realize any/all of its equity interest upon any sublease disposition of a Corporation property (sale by sub lessee) if it so chooses.

During 2024, the Corporation acquired nil properties (2023 – 33) and sold 1 property (2023 – 32).

9. Due to the Town of Banff:

	2024	2023
Due for operations	\$ 155,551	\$ 123,438
Due for 2023 Ti'nu related payments	–	415,001
Due for Aster housing project	–	369,794
Due for Ti'nu Development	9,959,090	10,263,874
(Receivable) payable for contribution	–	(602,000)
	10,114,641	10,570,107
Less: current portion	470,421	611,017
Non-current portion of due to Town of Banff	\$ 9,644,220	\$ 9,959,090

The amount owing to the Town of Banff for the Ti'nu Development and Ti'nu Contribution is repayable with principal and interest over 28 years with a maturity date in 2046, which is consistent with the debt amount and repayment terms incurred by the Town of Banff from the Province of Alberta ("Province of Alberta loans"). At December 31, 2024, The Town of Banff and the Corporation have agreed to a repayment schedule of the amounts owing for the Ti'nu Development and Ti'nu Contribution, including to pay interest equal to the interest payment incurred by the Town of Banff in relation to the Province of Alberta loans. Interest incurred by the Town of Banff on the Province of Alberta loans during the year ended December 31, 2024 is 3.08% per annum (2023 – 3.08%). There are no demand features to this loan.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 9

Year ended December 31, 2024, with comparative information for 2023

9. Due to the Town of Banff (continued):

Principal and interest repayments related to the Ti'nu Development agreed to are as follows:

	Principal	Interest	Total
2025	\$ 314,870	\$ 329,532	\$ 644,402
2026	325,287	319,115	644,402
2027	336,051	308,351	644,402
2028	347,170	297,232	644,402
2029	358,658	285,744	644,402
Thereafter	8,277,054	2,677,778	10,954,832
	\$ 9,959,090	\$ 4,217,752	\$ 14,176,842

10. Related party transactions and economic dependence:

There is an agreement between the Town of Banff and the Corporation such that the Town of Banff, which is the Corporation's sole shareholder, administers the Corporation's payroll function. The Corporation used office space owned by the Town of Banff. These services were provided from the Town of Banff to the Corporation at no charge.

11. Community Housing Reserve Contribution:

In consideration of Alberta Social Housing Corporation's (ASHC) capital contribution towards the construction of the Ti'nu Development, the Corporation entered into a co-ownership agreement to set out each party's respective rights and obligations regarding the ongoing maintenance, operation, control and management of the Ti'nu property (note 5). Included in the agreement is direction on the treatment of the annual surplus from the Ti'nu Development including that the amounts may be restricted for the purpose of funding and/or maintaining affordable housing in the Town of Banff. In 2024, the Corporation transferred \$272,978 (2023 – \$253,901) which represents the 2023 surplus to the Town of Banff, to be held in the Town of Banff's restricted Capital Housing reserve. The ending balance in the internally restricted Community Housing reserve for future transfer to the Town of Banff at the end of 2024 is \$276,584 (2023 – \$272,978).

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 10

Year ended December 31, 2024, with comparative information for 2023

12. Financial instruments:

It is management's opinion that the Corporation is not exposed to significant liquidity, interest or currency risks arising from its financial instruments.

The Corporation is subject to credit risk with respect to its cash, accounts receivables, deposits, and second mortgages receivable. Credit risk arises from the possibility that entities to which the Corporation provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the Corporation's financial instruments approximates fair value.

13. Aster housing project:

During 2023, the Town of Banff and the Corporation completed development of the Aster housing project, a value priced multi-unit development of which the units would be sold to eligible Town of Banff residents. Both the Corporation and the Town of Banff contributed costs to the project, the Corporation held the land used for the project which had a carrying value of \$2,598,480 and the Town developed the building with a carrying value of \$12,316,379. Upon completion of construction, the Town of Banff transferred ownership of the building to the Corporation for the sale of units to residents, and these assets were transferred from tangible capital assets to inventory.

During the year, the Corporation sold 1 of the units (2023 – 32 units) for a total price of \$352,185 (2024 – \$13,326,651). As at December 31, 2024 the Corporation does not hold any more units. For the Aster housing project, the Corporation has agreed to remit the full selling prices of the units of \$13,588,836 to the Town of Banff. As at December 31, 2024, the Corporation owed the Town of Banff \$nil relating to the unsold unit (2023 – \$352,185). As a result of the Corporation contributing land for the Aster housing project, the Town contributed \$nil to the Corporation (2023 – \$602,000).

BANFF HOUSING CORPORATION

Schedule 1 – Segmented Information

Year ended December 31, 2024

	General Operations	Property Rentals	2024 Total
Revenue:			
Rentals	\$ –	\$ 1,948,074	\$ 1,948,074
Sale of properties (note 13)	352,185	–	352,185
Fees	100,187	7,336	107,523
Interest	35,039	67,026	102,065
Grant income	–	4,226	4,226
Contribution from Town of Banff (note 13)	–	–	–
	487,411	2,026,662	2,514,073
Expenses:			
Rental operating expenses	–	552,039	552,039
Wages, management fees and benefits	40,693	321,932	362,625
Cost of sales of properties (note 13)	352,185	–	352,185
Interest on amounts due to Town of Banff	–	339,618	339,618
Community Housing Reserve Contribution (note 11)	–	272,978	272,978
Amortization	2,456	199,625	202,081
Professional fees	60,224	52,560	112,784
Office supplies, postage and other	5,678	13,924	19,602
Interest on bank indebtedness	–	11,396	11,396
Insurance	1,794	5,025	6,819
Telephone	1,162	3,801	4,963
Advertising and promotion	1,763	1,805	3,568
Appraisals	1,035	–	1,035
	466,990	1,774,703	2,241,693
Excess (deficiency) of revenue over expenses	\$ 20,421	\$ 251,959	\$ 272,380

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Schedule 1 – Segmented Information

Comparative information for 2023

	General Operations	Property Rentals	2023 Total
Revenue:			
Sale of properties (note 15)	\$13,236,652	\$ –	\$ 13,236,652
Rentals	–	1,888,606	1,888,606
Contribution from Town of Banff (note 15)	658,355	–	658,355
Fees	193,398	(1,472)	191,926
Interest	26,722	72,501	99,223
Grant income	–	1,540	1,540
	14,115,127	1,961,175	16,076,302
Expenses:			
Cost of sales of properties (note 1)	14,562,674	–	14,562,674
Rental operating expenses	–	549,822	549,822
Interest on amounts due to Town of Banff	–	349,380	349,380
Wages, management fees and benefits	67,607	264,367	331,974
Community Housing Reserve Contribution (note 12)	–	253,901	253,901
Amortization	2,456	199,372	201,828
Professional fees	9,963	34,338	44,301
Interest on bank indebtedness	–	34,240	34,240
Office supplies, postage and other	7,360	19,917	27,277
Insurance	1,705	15,356	17,061
Telephone	1,165	4,561	5,726
Advertising and promotion	658	3,016	3,674
Appraisals	1,015	–	1,015
	14,654,603	1,728,270	16,382,873
Excess (deficiency) of revenues over expenses	\$ (539,476)	\$ 232,905	\$ (306,571)

See accompanying notes to financial statements.

Banff Housing Corporation - Budget vs. Actuals: 2025 Budget - FY24 P&L Classes

January 1 - March 31, 2025

	BHC			Moffat Manor			Ti'nu			TOTAL		
	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget
INCOME												
Grants Received	4,906	4,906	0				0	0	0	4,906	4,906	0
Fee Revenue							1,800	1,800	0	1,800	1,800	0
Total Fee Revenue	8,024	75,174	73,550	-		-	2,425	1,800	-	10,449	76,974	73,550
Total Interest Revenue	5,270	21,080	24,000	-		-	11,329	45,316	62,400	16,599	66,396	86,400
Total Rental Property Revenue	-	-	-	8,688	34,752	35,021	482,688	1,999,014	2,000,388	491,376	2,033,766	2,035,409
TOTAL INCOME	\$ 18,200	\$ 101,160	\$ 97,550	\$ 8,688	\$ 34,752	\$ 35,021	\$ 496,442	\$ 2,046,130	\$ 2,062,788	\$ 523,330	\$ 2,182,042	\$ 2,195,359
EXPENSES												
Total Appraisals	-	-	1,300	-		-	-	-	-	-	-	1,300
Total Banking fees, Office Supplies, Postage & Other	1,008	7,016	6,700	-		-	1,814	26,226	29,300	2,822	33,242	36,000
Total Insurance	809	809	808	162	162	165	7,120	7,520	7,277	8,091	8,491	8,250
Total Interest on Due to Town of Banff	-	-	-	-		-	82,383	329,533	329,533	82,383	329,533	329,533
Total Professional Fees	5,340	24,920	24,920	-		-	23,989	44,780	44,780	29,329	69,700	69,700
Total Property Tax Expense	-	-	-	1,363	100	2,690	29,409	2,000	53,971	30,772	2,100	56,661
Total Operating Expenses	-	-	-	3,986	37,000	29,000	107,472	437,351	430,701	111,458	474,351	459,701
Total Telephone	236	490	495	-		-	1,036	4,144	3,500	1,272	4,634	3,995
Total Wages, Benefits & Training	13,968	57,658	59,410	-	-	-	65,702	336,000	336,908	79,670	393,658	396,318
Total Expenditures	\$ 22,135	\$ 92,121	\$ 93,963	\$ 5,511	\$ 37,262	\$ 31,855	\$ 319,365	\$ 1,190,154	\$ 1,239,940	\$ 347,011	\$ 1,319,083	\$ 1,365,758
Net Surplus (Deficit)	-\$ 3,935	\$ 9,039	\$ 3,587	\$ 3,177	-\$ 2,510	\$ 3,166	\$ 177,077	\$ 855,976	\$ 822,848	\$ 176,319	\$ 862,505	\$ 829,601

Operating Surplus Transfers	BHC			Moffat Manor			Ti'nu			TOTAL		
	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget	3 Month Actuals (Jan to Mar 2025)	2025 Annual Forecast	2025 Annual Budget
Restricted Surplus												
Restricted Reserve - Ti'nu Surplus (CHRF)							75,000	300,000	300,000	75,000	300,000	300,000
Restricted Reserve - Ti'nu Debt Principal							76,196	314,869	314,869	76,196	314,869	314,869
Restricted Reserve - Ti'nu Capital Replacement							30,431	125,375	125,375	30,431	125,375	125,375
Restricted Reserve - BHC 2nd Mortgage			-							-	-	-
Unrestricted Net Assets	(3,935)	9,039	3,587	3,177	(2,510)	3,166	(4,550)	115,732	82,604	(5,308)	122,261	89,357
	(3,935)	9,039	3,587	3,177	(2,510)	3,166	177,077	855,976	822,848	176,319	862,505	829,601

RFD

2024 Community Housing Reserve Fund Transfer Request & Operating Surplus Transfer Request



Presented to: BHC Board of Directors
Submitted by: Heather Bolt, BHC Operations
Supervisor

Date: March 26, 2025
Agenda # 8.2 and 8.3

REASON FOR REPORT

To allocate the operating surplus identified during the 2024 annual financial audit, in accordance with the recently adopted Operating Surplus Reserve Policy.

Background:

The 2024 approved budget included a planned transfer of \$276,584 to the Community Housing Reserve Fund (CHRF).

Following the completion of the 2024 financial audit, KPMG has identified a total operating surplus of \$298,054 (excluding general operations). In alignment with the Operating Surplus Reserve Policy adopted by the board, there is an opportunity to allocate the surplus in a way that both fulfills the original budgeted commitment and supports the long-term financial sustainability of the organization.

RECOMMENDATION

Administration recommends the board approve the following:

1. Transfer **\$276,584** to the Community Housing Reserve Fund, as per the 2024 approved budget; and
2. Transfer **\$21,470** to the Operating Surplus Reserve Fund, in accordance with the board's policy and commitment to long-term sustainability.

This approach ensures alignment with established financial practices while taking a proactive step to strengthen the organization's operational reserves.