

Financial Statements of

BANFF HOUSING CORPORATION

And Independent Auditors' Report thereon

Year ended December 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. The responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Board of Banff Housing Corporation is composed entirely of individuals who are neither management nor employees of the Corporation. The Board of Directors have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Board are also responsible for the appointment of the external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to them. The external auditors have full and free access to and meet periodically and separately with the of the Board and management to discuss their audit findings.

Heather Bolt

Heather Bolt,
Operations Supervisor

Banff, Alberta
April 16, 2026

INDEPENDENT AUDITORS' REPORT

To the Shareholder of the Banff Housing Corporation

Opinion

We have audited the accompanying financial statements of Banff Housing Corporation (the Corporation), which comprise the statement of financial position as at December 31, 2025, statements of operations and changes in net financial assets and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025, and the results of its operations and its cash flows for the years 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 15, 2025.

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

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

(continues)

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta

April 16, 2026

BANFF HOUSING CORPORATION

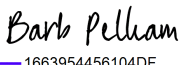
Statement of Financial Position

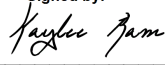
December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash (note 3)	\$ 2,199,314	\$ 1,781,199
Accounts receivable (note 4)	75,465	63,914
	<u>2,274,779</u>	<u>1,845,113</u>
Tangible capital assets (note 5)	9,678,990	9,903,620
	<u>\$11,953,769</u>	<u>\$11,748,733</u>
Liabilities and Net Assets		
Current liabilities:		
Due to Town of Banff (note 9)	\$ 663,067	\$ 470,421
Accounts payable and accrued liabilities (note 3)	18,940	51,706
Tenant deposits	158,879	156,266
	<u>840,886</u>	<u>678,393</u>
Due to Town of Banff (note 9)	9,318,933	9,644,220
	<u>10,159,819</u>	<u>10,322,613</u>
Net assets:		
Net assets (deficit) invested in tangible capital assets	34,769	(55,470)
Internally restricted net assets (note 7)	1,364,592	1,170,637
Unrestricted	394,589	310,953
	<u>1,793,950</u>	<u>1,426,120</u>
Contractual rights (note 6)		
	<u>\$ 11,953,769</u>	<u>\$ 11,748,733</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

Signed by:

 _____ Director
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Signed by:

 _____ Director
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BANFF HOUSING CORPORATION

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue (Schedule 1):		
Rentals	\$1,997,921	\$1,948,074
Fees	107,258	107,523
Interest	63,969	102,065
Grant income	5,506	4,226
Loss on disposal of vehicles	(18,459)	-
Sale of properties (note 13)	-	352,185
	<u>2,156,195</u>	<u>2,514,073</u>
Expenses (Schedule 1):		
Rental operating expenses	442,254	552,039
Wages, management fees and benefits	407,451	362,625
Interest on amounts due to Town of Banff	329,533	339,618
Community Housing Reserve contribution (note 11)	276,584	272,978
Amortization	200,371	202,081
Professional fees	88,400	112,784
Office supplies, postage and other	22,511	19,602
Insurance	8,091	6,819
Telephone	5,246	4,963
Advertising and promotion	5,001	3,568
Appraisals	2,923	1,035
Cost of sales of properties (note 13)	-	352,185
Interest on bank indebtedness	-	11,396
	<u>1,788,365</u>	<u>2,241,693</u>
Excess revenues over expenses	<u>\$ 367,830</u>	<u>\$ 272,380</u>

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2025, with comparative information for 2024

December 31, 2025	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets (deficit)	2025
Balance, beginning of year	\$ (55,470)	\$ 1,170,637	\$ 310,953	\$ 1,426,120
Net book value of disposal of tangible capital assets	(24,259)	–	24,259	–
Ti'nu debt repayment	314,869	–	(314,869)	–
(Deficiency) excess of revenues over expenses	(200,371)	193,955	374,246	367,830
	\$ 34,769	\$ 1,364,592	\$ 394,589	\$ 1,793,950

December 31, 2024	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets (deficit)	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 revenues over expenses	(202,081)	121,700	352,761	(272,380)
	\$ (55,470)	\$ 1,170,637	\$ 310,953	\$ 1,426,120

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess revenues over expenses	\$ 367,830	\$ 272,380
Items not affecting cash		
Amortization	200,371	202,081
Loss on disposal of vehicles	18,459	–
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(11,551)	546,378
Decrease in prepaid expenses	–	849
Increase (decrease) in amounts due to Town of Banff	182,228	(150,682)
(Decrease) increase in accounts payable and accrued liabilities	(32,766)	30,434
Increase in tenant deposits	2,613	2,727
Decrease in inventory	–	352,185
	<u>727,184</u>	<u>1,256,352</u>
Investing activities:		
Purchase of tangible capital assets	–	(9,654)
Proceeds on disposal of vehicles	5,800	–
	<u>5,800</u>	<u>(9,654)</u>
Financing activities:		
Repayment of principal for Ti'nu Development and Contributions	(314,869)	(304,784)
Repayment of bank indebtedness	–	(517,833)
	<u>(314,869)</u>	<u>(822,617)</u>
Increase in cash	418,115	424,081
Cash, beginning of year	1,781,199	1,357,118
Cash, end of year	<u>\$ 2,199,314</u>	<u>\$ 1,781,199</u>

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Notes to the Financial Statements

Year ended December 31, 2025, with comparative information for 2024

The Banff Housing Corporation (the "Corporation") was incorporated as a nonprofit 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, 2025, with comparative information for 2024

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	Straight-line	10 years
Condominiums	Declining balance	25 years
Computer equipment	Declining balance	5 years
Ti'nu building	Straight-line	55 years
Ti'nu landscaping	Straight-line	50 years
Ti'nu vehicles	Straight-line	15 years
Ti'nu bins	Straight-line	15 years
Furniture and fixtures	Straight-line	10 years
Computer software	Straight-line	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, 2025, with comparative information for 2024

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.

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

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 4

Year ended December 31, 2025, with comparative information for 2024

2. Future accounting policies (continued):

b) Conceptual Framework (continued)

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 (2024 – 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 (2024 – \$650,000), in addition to an overdraft lending account of up to \$345,000 (2024 – \$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 (2024 – bank's prime rate minus 0.5%). As at December 31, 2025, there was \$nil (2024 – \$ nil) drawn against the line of credit and \$nil (2024 – \$nil) in overdraft. Additionally, the bank has authorized commercial letters of credit up to a maximum of \$300,000 (2024 – \$300,000), and corporate MasterCards to a maximum of \$10,000 (2024 – \$10,000). As of December 31, 2025, \$nil was outstanding on commercial letters of credit (2024 – \$nil) and \$172 was outstanding on the corporate MasterCards (2024 – \$2,246), which is included in accounts payable and accrued liabilities.

4. Accounts receivable:

	2025	2024
Amounts outstanding for one year or less	\$ 34,169	\$ 30,441
Amounts outstanding for more than one year	41,296	33,473
	<u>\$ 75,465</u>	<u>\$ 63,914</u>

Included in accounts receivable as at December 31, 2025 are government remittances receivable of \$468 (2024 – \$3,891) relating to Goods and Services Tax recoverable.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 5

Year ended December 31, 2025, with comparative information for 2024

5. Tangible capital assets:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 597,168	\$ –	\$ 597,168	\$ 597,168
Rental property equipment	2,710	1,762	948	1,220
Condominiums	319,432	181,459	137,973	143,859
Computer equipment	3,707	3,596	111	222
Ti'nu building	9,836,164	1,336,886	8,499,278	8,678,117
Ti'nu landscaping	498,930	74,840	424,090	434,069
Ti'nu vehicles	–	–	–	25,775
Ti'nu bins	25,427	12,713	12,714	14,409
Furniture and fixtures	14,325	9,861	4,464	5,896
Computer software	6,411	4,167	2,244	2,885
	<u>\$ 11,304,274</u>	<u>\$ 1,625,284</u>	<u>\$ 9,678,990</u>	<u>\$ 9,903,620</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 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 6

Year ended December 31, 2025, with comparative information for 2024

6. Contractual rights – Second mortgages:

The Corporation administers housing programs within the Town of Banff, including the Middle Springs I development, whereby second mortgages are registered against the titles of eligible properties. These mortgages are non-interest bearing and become due only when the initial homeowner ceases to reside in the property. As the timing of repayment is uncertain and contingent on future triggering events, no receivable has been recognized in the financial statements. Rather, receivable is established and revenue is recognized in the period in which the homeowner ceases to reside in the property and the mortgages become due.

The Corporation maintains contractual rights to the future receipts; however, such amounts have not been recorded as financial assets as at December 31, 2025. As at that date, the outstanding balance of second mortgages amounted to \$802,500 (2024 – \$802,500).

During the year, the Corporation collected \$NIL (2024 – \$30,500) of second mortgage revenue and spent \$37,900 (2024 - \$25,100) 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 2025, \$nil of this revenue (2024 – \$30,500) 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 2025, \$83,064 (2024 – \$21,470) was restricted internally.

The Corporation has a policy to internally restrict funds for ongoing capital maintenance requirements for the Ti'nu Development. During 2025, \$125,375 of this revenue (2024 –\$121,724) was restricted internally.

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

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 sublessees (homeowners) the Corporation can realize any/all of its equity interest upon any sublease disposition of a Corporation property (sale by sublessee) if it so chooses.

During 2025, the Corporation acquired nil properties (2024 – nil) and sold 4 properties (2024 – 1).

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 7

Year ended December 31, 2025, with comparative information for 2024

9. Due to the Town of Banff:

	2025	2024
Due for operations	\$ 337,780	\$ 155,551
Due for Ti'nu Development	9,644,220	9,959,090
	9,982,000	10,114,641
Less: current portion	663,067	470,421
Non-current portion of due to Town of Banff	\$ 9,318,933	\$ 9,644,220

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, 2025, 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, 2025, 3.378% and 3.204% (two loans) or an average of 3.29% per annum (2024 – 3.08%). There are no demand features to this loan.

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

	Principal	Interest	Total
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
2030	370,525	273,877	644,402
Thereafter	7,906,529	2,403,901	10,310,430
	\$ 9,644,220	\$ 3,888,220	\$ 13,532,440

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 8

Year ended December 31, 2025, with comparative information for 2024

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 2025, the Corporation transferred \$276,584 (2024 – \$272,978) which represents the 2024 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 2025 is \$300,000 (2024 – \$276,584).

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 receivable, 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 minimize the credit risk.

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

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 9

Year ended December 31, 2025, with comparative information for 2024

13. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. In particular, second mortgage balances previously recognized as receivable and corresponding deferred revenue have been derecognized and are now disclosed as contractual rights (note 6). These changes do not impact on the previously reported annual surplus or net assets. However, certain financial statement line items have been adjusted accordingly.

BANFF HOUSING CORPORATION

Schedule 1 – Segmented Information

Year ended December 31, 2025

	General Operations	Property Rentals	2025 Total	2024 Total
Revenue:				
Rentals	–	\$ 1,997,921	\$ 1,997,921	1,948,074
Fees	93,956	13,302	107,258	107,523
Interest	25,343	38,626	63,969	102,065
Grant income	5,506	–	5,506	4,226
Loss on disposal of vehicles	–	(18,459)	(18,459)	–
Sale of properties (note 13)	–	–	–	352,185
	124,805	2,031,390	2,156,195	2,514,073
Expenses:				
Rental operating expenses	–	442,254	442,254	552,039
Wages, management fees and benefits	60,405	347,046	407,451	362,625
Interest on amounts due to Town of Banff	–	329,533	329,533	339,618
Community Housing Reserve Contribution (note 11)	–	276,584	276,584	272,978
Amortization	2,455	197,916	200,371	202,080
Professional fees	44,027	44,373	88,400	112,784
Office supplies, postage and other	4,429	18,082	22,511	19,603
Insurance	809	7,282	8,091	6,819
Telephone	899	4,347	5,246	4,963
Advertising and promotion	2,489	2,512	5,001	3,568
Appraisals	2,923	–	2,923	1,035
Cost of sales of properties (note 13)	–	–	–	352,185
Interest on bank indebtedness	–	–	–	11,396
	118,436	1,669,929	1,788,365	2,241,693
Excess revenues over expenses	\$ 6,369	\$ 361,461	\$ 367,830	\$ 272,380

See accompanying notes to financial statements.