



BANFF HOUSING CORPORATION

AMENDED AGENDA ORDER OF BUSINESS

ORDER OF BUSINESS

April 16, 2026

8:30-10:30

Council Chambers

BHC Vision	BHC Mission	BHC Purpose
To provide eligible residents of Banff National Park a place to call home while fostering engaged and connected communities.	To provide a wide range of below-market housing options to eligible 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
- 6.0 ADMINISTRATIVE STAFF UPDATES
 - 6.1 Briefing: FINAL DRAFT BHC Board Governance Guide
 - 6.2 Briefing: DRAFT Strategic Priority #1 options
 - 6.3 Q1 Operations Reporting
 - 6.4 50 Wolf St update
- 7.0 **FINANCIAL / 9:00 am start time**
 - 7.1 RFD: Approve the 2025 Audited Financial Statements
 - 7.2 RFD: Approve the 2025 Community Housing Reserve Fund Transfer
 - 7.3 RFD: Approve the 2025 Operating Surplus Transfer
- 8.0 **CONFIDENTIAL ITEMS**
 - 8.1 Motion to move in camera
 - 8.1.1 Confidential item – Outstanding item of March 6, 2026
 - 8.1.2 Confidential item - Managing Director recruitment
- 9.0 NEXT MEETINGS
 - **May 21, 2026**
 - **June 18, 2026**
 - **June 23, 2026 – Annual General Meeting**
- 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

Ted Langridge
March 19, 2026
8:30-10:30

BHC Vision	BHC Mission	BHC Purpose
To provide eligible residents of Banff National Park a place to call home while fostering engaged and connected communities.	To provide a wide range of below-market housing options to eligible 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.

BOARD MEMBERS PRESENT

Kaylee Ram	Council Representative / Chair
Barb Pelham	Acting Chair - Council Representative / Vice Chair
Pam Traut	Public Member Director
Melanie Petelle	Public Member Director
Jeffrey Carpenter	Public Member Director (<i>virtual</i>)
Lauren Aebig	Town of Banff Senior Administration

BOARD MEMBERS ABSENT

Mark Walker	Public Member Director
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ADMINISTRATION PRESENT

Sharon Oakley	Manager, Housing Sustainability, Town of Banff
Heather Bolt	BHC Operations Supervisor

1.0 Land Acknowledgment: B. Pelham

2.0 CALL TO ORDER

BHC26-14 K. Ram called the March 19, 2026, meeting of the Banff Housing Corporation to order at 8:34 a.m.

3.0 APPROVAL OF AGENDA

BHC26-15 Moved by M. Petelle to approve agenda as **amended**.

CARRIED

4.0 ADOPTION OF PREVIOUS MEETING MINUTES & PUBLIC ATTACHMENTS

BHC26-16 Moved by K. Ram to approve the February 19, 2026, minutes as amended. **CARRIED**

5.0 NEW BUSINESS

5.1 Town of Banff Administrative contracted services agreement.

BHC26-17 Moved by B. Pelham to approve the contracted service as presented. **CARRIED**

5.2.1.1 Asset Management

BHC26-18 Moved by K. Ram to direct BHC administration to return to the board in Q1 2027 with a briefing outlining comparable mountain communities practice with asset management, income limits, and ADUs in restricted ownership portfolios. **CARRIED**

BHC26-19 Moved by K. Ram to direct BHC administration to amend the Governance Guide adding Board voting requirements. **CARRIED**

BHC26-20 Moved by B. Pelham that ownership units at 50 wolf St. will be allocated by a weighted lottery with a 2:1 ratio first time home buyer priority. **CARRIED**

6.0 ADMINISTRATIVE STAFF UPDATES

6.1 Briefing: Review REVISED DRAFT BHC Board Strat Plan

BHC26-21 Moved by L. Aebig to direct BHC administration to return to the April 16th, 2026, meeting with a draft of the Strategic Priority #1 section of the Strat Pan for review. **CARRIED**

6.2 Briefing: Review REVISED DRAFT BHC Board Governance Guide

BHC26-22 Moved by K. Ram to direct BHC administration to return to the April 16, 2026, meeting with recommended edits for review. **CARRIED**

7.0 CONFIDENTIAL ITEMS

7.1 Motion to move in-camera.

BHC26-23 Moved by K. Ram that BHC board members, pursuant to Section 17 (Disclosure to personal privacy), Section 24 (advice from officials), and Section 27 (privileged information) of the Freedom of Information and Protection Privacy Act, recess at 9:48am to the call of the chair, to reconvene in a closed meeting, to be conducted in council chambers, to consider confidential matters related to 7.1.1, 7.1.2, and 7.1.3 of this section **CARRIED**

BHC26-24 Moved by K. Ram that BHC board members rise and report at 10:25 am. The board reconvened in their regularly scheduled meeting with Kaylee Ram in the Chair. **CARRIED**

L. Aebig left the meeting at 10:25am.

8.0 FINANCIAL

8.1 The Q4 2025 Financial Review was received as information.

9.0 NEXT MEETING DATES

- April 16, 2026
- May 21, 2026

10.0 MOTION TO ADJOURN

BHC26-25 Moved by K. Ram to adjourn at 10:29am

CARRIED

Heather Bolt

Recording Secretary

UNCONFIRMED

Banff Housing Corporation

Governance Guide

PURPOSE

The purpose of the Banff Housing Corporation (BHC)'s Governance Guide is to outline the roles and responsibilities for the governance and administration of the BHC rental and ownership portfolios. In addition, this manual will outline the framework to ensure that the BHC operates in an effective and accountable manner for the successful execution of its housing programs.

LEGAL STRUCTURE

BHC is an independent, not for profit, municipally owned corporation of the Town of Banff that was established in 1993.

As the BHC's sole shareholder is the Town of Banff, the sitting Council represents the shareholder. The shareholder appoints a Board of Directors that governs the administration of the BHC.

STRATEGIC FRAMEWORK

BHC's Strategic Framework, which includes Vision, Mission, Purpose, Values, and Mandate, are outlined as follows:

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

VISION - To provide eligible residents of Banff National Park a place to call home while fostering engaged and connected communities.

PURPOSE - To manage the current and future homeownership and rental portfolios.

VALUES – The BHC will be guided in achieving its Mission, Vision, and Purpose by the following Values:

- Public trust: BHC will act ethically and in the public's interest.
- Excellence in service: Provide respectful, timely, consistent, compassionate, fair, and proactive customer service. Increase program simplicity and clarity to improve the customer experience.

- **Transparency:** Clarity is created through frequent communication, allowing for increased public awareness and understanding of the BHC program, policies, and governance.
- **Accountability:** Adopt organizational best practices. Create a culture of continuous improvement and accountability. Demonstrate excellent financial stewardship and governance.
- **Efficiency and effectiveness:** Implement processes and policies that will increase customer and staff efficiency. Demonstrate valuable and verifiable results to the public and decision-makers through reliable data and reporting.
- **Innovation:** Foster creative solutions to solve problems and increase cooperation in the community. Be open to new and more effective ways of doing business. Have a long-term vision and strategy for success.

MANDATE

- a) To have a sole Shareholder, being the Town of Banff.
- b) Maintain and manage ground leases held by the Corporation on corporate sponsored housing projects or for proposed housing projects.
- c) To sublease lands to individuals by way of a Sublease agreement, where appropriate.
- d) To manage and maintain on a contract basis, if required, all the Town of Banff's employee housing portfolio.
- e) To operate independently under the direction of its Board of Directors in accordance with any directions given by the Shareholder from time to time.
- f) To remain accountable to the Shareholder and the citizens of Town of Banff by operating in accordance with the policies established by the Town Council, through Town Administration participation on the Board of Directors, and through the provision of audited financial statements.
- g) To conduct its business in a not-for profit manner with a user-pay mandate. The Corporation will hire staff and expend funds necessary to complete its mandate within its operating budget.
- h) To monitor and enforce all terms and conditions of occupancy, sublease sale, resale, and rental of Corporation housing units.
- i) To implement a selection procedure by which eligible residents are permitted to purchase, or re-sell Corporation housing units. In so doing, the Corporation will develop and maintain a list of qualified potential future purchasers of existing BHC properties.
- j) To implement a selection procedure by which eligible residents are permitted to rent Corporation community housing units.
- k) To accept transfer of the Middle Springs 1 Housing Development second mortgages and transfer to housing specific capital reserves.

- l) To expend any excess revenue over expenditures to further fulfil its mandate of providing, operating, and maintaining housing in the Town of Banff.
- m) Make recommendations to the Town of Banff on housing with respect to the Banff Housing Corporation portfolio and with respect to BHC or Town of Banff owned rental properties.
- n) To manage housing of various types and density within the Corporation's portfolio to help the Town of Banff maintain a healthy and balanced community.
- o) To participate in community conversations with respect to housing in the Town of Banff.

STRATEGIC DIRECTION

The BHC has a Strategic Plan, created with input from the directors and administration. On an annual basis, these areas are reviewed and updated to assign tactics, responsibilities and timelines for achieving the agreed upon goals based on direction of the Board of Directors.

GOVERNING – BOARD OF DIRECTORS

Directors are responsible for providing oversight and directing the BHC in establishing and approving the organization's Strategic Plan, ensuring the financial stability, viability and longevity of the organization, promoting a public understanding and awareness of the BHC, and advocating on behalf of the interests of the organization.

To govern the organization effectively, BHC Directors must be able to serve and contribute to the BHC in the following capacities:

- Familiarize themselves with their responsibilities with respect to the BHC's sublease agreement and enforcement policy.
- Familiarize themselves with the policies, bylaws, business plans, financial documents, and similar background information about the mandate and operations of the BHC.
- Familiarize themselves with the standard sublease agreement.
- Attend all Board meetings or give notice if they are unable to attend.
- Attend all board meetings actively in person or virtual. For online participation, the Board considers active engagement with the camera turned on.
- Be receptive to public points of view about the policies and operations of the BHC and communicate such to the Board; and
- Refrain from committing the BHC to any policy or action without the agreement of the Board as a whole.
- Share responsibility for the integrity of Board decisions.
- Represent the BHC board's decision over personal opinions.
- Vote on all board motions unless a pecuniary interest has been declared.

Directors' Selection Process

Board members are appointed by the BHC shareholder (Town of Banff Council) at the annual organizational meeting in October of each year. Unless otherwise determined by a Town of Banff council meeting, the number of directors shall be a minimum of six (6) and a maximum of seven (7), of which one (1) will be a senior Town of Banff administrator, at least two (2) Town of Banff Council members, and up to four (4) public members. The Shareholder would give preference to having one (1) but no more than two (2) Banff Housing Corporation homeowners or Banff Housing Corporation renters as public members.

Director Qualifications and Compensation

It's important that members of the BHC Board possess and contribute to a variety of skills and experience to provide effective leadership and governance to the BHC. The Board is comprised of individuals with:

- Experience in the areas of non-profit housing, real estate, property development, property management, building and development, staff accommodation/housing, asset management, finance and accounting.
- Financial literacy and experience in business planning and budget review.
- A commitment to making Banff the best it can be for its residents.
- Understanding global housing issues, including affordable housing.
- Previous board experience.
- A strong public service orientation.
- Integrity and high ethical standards.
- Communication/interpersonal skills to facilitate discussion.
- Effective listener.
- Strong analytical skills.
- Strategic and critical thinking skills.
- Strong decision-making skills.

All BHC Board positions are voluntary.

Board of Directors Terms of Office

Terms for up to four (4) public members shall be broken as follows:

- 2 – three-year terms; and
- 2 – two-year terms

A maximum of two consecutive terms may be served. A former member may reapply to the Board of Directors after one (1) year of vacancy from the Board.

Board Meeting Frequency and Attendance

BHC Board meetings are held monthly and scheduled for two (2) hours unless the Board Chair and Managing Director deem it necessary to have additional meetings or to cancel a meeting due to insufficient quorum or extenuating circumstances.

In person attendance at all regular scheduled Board meetings is expected. In the event of remote participation, it is mandatory to have cameras on for maximum engagement. It is recognized that Directors may be unable to attend some meetings due to conflicts with other commitments or unforeseen circumstances from time to time. It is incumbent upon Directors to provide notice to the Board Chair and Managing Director when they are unable to attend a meeting.

The office of a Director shall automatically be vacated:

- a) If, by notice in writing to the Corporation, the Director resigns office.
- b) If the Director is removed by resolution of the Shareholder.
- c) If the Director is absent from three (3) consecutive regular meetings of the Board of Directors (without the express consent of the Board), and other meetings of the Board of Directors during that period being special meetings of the Board of Directors or is absent from one third (1/3) of the meetings of the Board of Directors in a 12-month period (November – October).

Board Meeting Quorum

Quorum for all BHC Board Meetings is set at a majority (more than half) of all members of the body who are entitled to vote unless Council provides direction otherwise in a governance document. A board member participating remotely during a meeting is deemed to be present and will count towards quorums.

Board Meeting Agendas

A board agenda will be prepared by BHC administrative staff for each BHC meeting. Contents of the Agenda will be reviewed by the Board Chair approximately one week before the scheduled meeting; then a finalized copy will be distributed to all board members and posted on <https://banffhousing.ca/about/meeting-agendas-minutes/>

Public Media & Relations

All media inquiries will be directed at the Board Chair or Managing Director. These are the designated spokespeople for the Banff Housing Corporation.

Declaration of Pecuniary and Conflicts of Interest

Directors of the Banff Housing Corporation must avoid and disclose any pecuniary interests or other conflicts related to agenda items. When a conflict arises, the director must declare it before the item is considered, leave the meeting room, and abstain from all discussion and voting on that matter. For transparency, the meeting minutes will record the declaration (in general terms), the reason for leaving, and the times the director exits and returns. These requirements ensure decisions are made solely in the best interests of the corporation and not for any personal benefit or detriment to a director.

ORGANIZATIONAL STAFF STRUCTURE

The administration and operations of the BHC are conducted and supported by the following staff and areas of responsibility:

Manager, Housing Sustainability / Acting Managing Director – contracted service provided by the Town of Banff responsible for the overseeing the BHC Portfolio, acting as a liaison between the Town of Banff and the BHC, providing online direct and support for BHC employees, and BHC board management.

Operations Supervisor – oversees daily operations and staff management to ensure efficient service delivery and adherence to organizational policies.

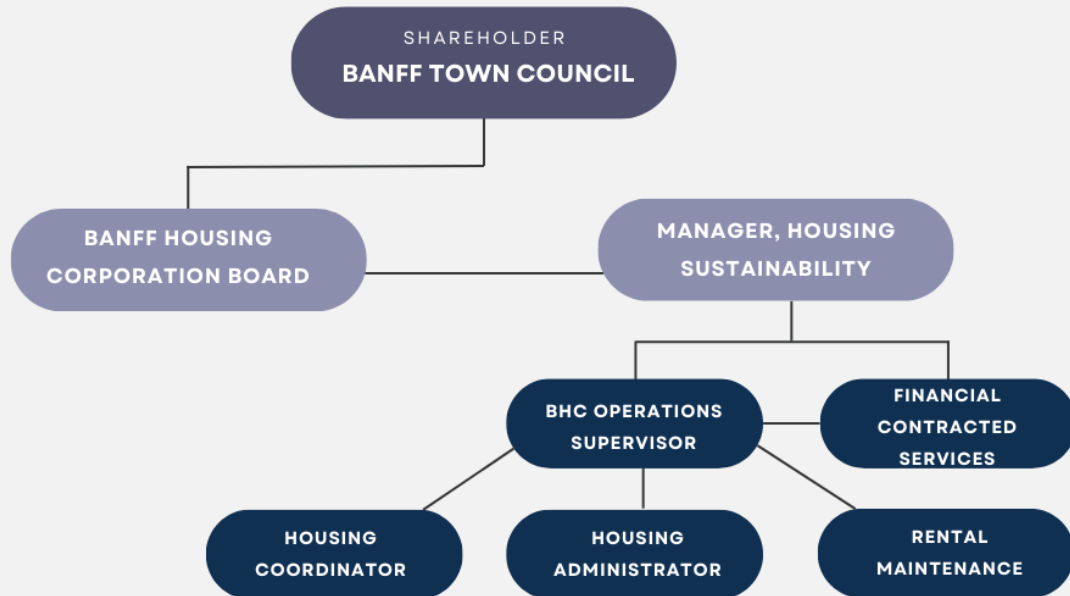
Housing Coordinator – responsible for the administration of both the rental and ownership portfolios, along with property management of the rental portfolio ensuring effective management and support across programs.

Housing Administrator – responsible for overseeing the initial intake and vetting of applicants into the ownership and rental portfolios, as well as annual tenant and rental applicant re-qualifications to ensure adherence to the eligibility criteria.

Maintenance Lead (rental) – responsible for overseeing and coordinating the maintenance activities of the rental portfolio contributing to the overall quality and livability of the units.

All other professional and technical services that support BHC operations are typically provided by the private sector, i.e. other contracted services.

BANFF HOUSING CORPORATION ORGANIZATIONAL CHART



PLANNING AND BUDGETING CYCLE

BHC Administration will prepare and present an annual budget to the board in accordance with this section. **Fiscal calendar year is January 1 – December 31.**

- Preparation of the annual budget will commence at the end of each Q3 to enable sufficient time and accuracy for projected year to allow for informed budget forecasting for the following year.
- Presentation of the annual budget for the subsequent year will occur no later than the December BHC Board Meeting for approval.
- The BHC's year-end audited Financial Statements will be prepared by an external auditor, selected by Town of Banff Council, with the assistance of BHC administration commencing in the first quarter of the year and will be delivered to the BHC Board of Directors for approval, typically scheduled for April/May. The audit is prepared in conjunction with the Town of Banff's audited financial statements.
- The audited Financial Statements will then be presented to Banff Town Council at the Annual Shareholders' meeting, typically scheduled for June.

- In addition to the BHCs audited year end statements, BHC administration in conjunction with their CPA will prepare quarterly financial reports that will be presented to the Board throughout the year for regular financial updates.
- At a minimum of once every three years, BHC Board of Directors will participate in a strategic planning session to jointly plan and set the organization's Strategic Direction.

DELEGATION OF AUTHORITY

- up to \$25k unbudgeted, contracts <3 years within affordability and policy limits, an operating expenditure within the approved budget; Managing Director
- \$25k - \$100k unbudgeted items, capital change orders, contracted services, suppliers and trades that are 3-5 years or over a designated amount (\$50,000) where within policy; Board Chair / Vice Chair and Managing Director
- >\$100k unbudgeted expenditures, new debt affecting the financial health of the organization, land acquisition/dispositions, policy adoptions or framework that guide organizational financial sustainability, and related party transactions; quorum of the BHC board of Directors.

GUIDING DOCUMENTS

- Town of Banff Council Strategic Priorities <https://banff.ca/322/Banff-Strategic-Plan>
- 2023 Banff Community Social Assessment <https://banff.ca/DocumentCenter/View/16416/TOB-2023-CSA-Final>
- Banff Community Plan 2025 <https://banff.ca/251/Banff-Community-Plan>
- BHC Bylaws
- BHC Budgets and Audited Statements

Banff Housing Corporation Board of Directors

Strategic Plan 2026–2028

BHC Board Purpose: To oversee strategy, risk, and long-term financial stability of the current and future housing supply in its portfolio.

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

VISION - To provide eligible residents of Banff National Park a place to call home while fostering engaged and connected communities.

PURPOSE - To manage the current and future homeownership and rental portfolios.

BHC Board Strategic Priorities

Strategic Priority #1 (title options) Housing Access / Community Housing Sustainability / Housing, Access, and Stewardship / Sustainable Housing / Housing Portfolio Sustainability

- Build a community engagement approach that creates regular opportunities for residents, applicants, neighbors, and community partners to provide input on housing needs and priorities
- Strengthening access to below-market housing by reviewing eligibility, allocation, and turnover practices to ensure housing continues to serve community need effectively and fairly.
- Work with partners to identify opportunities that increase housing availability and improve the sustainability of below-market housing models over time.

Strategic Priority #2 Organizational Excellence

- Develop long-term strategy for ensuring ongoing investment in the funding of capital replacement projects in the rental portfolio promoting long-range budget and life cycle forecasting of the capital maintenance requirements.
- Enhance board capacity by building a robust, engaged, and informed board in the following ways:
 1. creating an opportunity for new board members to complete a post orientation survey

2. conduct an annual gap analysis to ensure candidate pool reflects community diversity
 3. create an exit interview for board members at the end of their term
- Ensure the administration is structured effectively to meet the organization's evolving needs.
 - Strengthen the Banff Housing Corporation's risk management and compliance by regularly checking for risks, defining responsibilities and controls clearly, and ensuring policies are updated, risks are manageable, and all legal requirements continue to be met.
 - Undertake an annual comparison of purchase pricing against market conditions to ensure the below market models continue to be maintained and pricing models evolve with the needs of community.

Strategic Priority #3 Community Relations

- Implement a resident centered communication plan that clearly conveys BHC decisions, services, and performance.
- Collaborate and support housing initiatives in the community beyond the organization.
- Enhance the organization's visibility to increase BHC's impact in community.

**Banff Housing Corporation
Operations Report
2026 Summary**

	January	YTD	February	YTD	March	YTD
QUERIES						
BHC Rental Query	35	35	22	57	35	92
General Housing Query		0	2	2	1	3
Home Purchase Query	10	10	5	15	21	36
APPLICATIONS						
Rental applications received	13	13	15	28	25	53
Ownership applications received	13	13	12	25	17	42
WAITLIST TOTALS		TOTAL AT MAR 31		Q1 NET NEW		
Rental		329		39		
Ownership Reasle List		562		45		

RENTAL OCCUPANCY												
	January	February	March	April	May	June	July	August	September	October	November	December
Studio	26	26	26									
1BD	68	69	69									
2BD	35	35	35									
Moffat Manor (2x 2BD)	2	2	2									
Total Units	131	132	132	0	0	0	0	0	0	0	0	0
Occupancy Rate	99%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%

YTD Overall Occupancy	100%
2026 Turnover	2
Studio	
1BD	2
2BD	

2026 HOME SALES Summary

	PRICE HISTORY				H/O Equity Share	Price to Buyer	% Above/Below Avg Appraisal
	Listing Price (or appraised value)		Original purchase price				
327 Middle Springs Drive	Original purchase price (2011)		\$ 663,280.00		83.17%	\$ 551,648.00	
	Average appraisal - BMV		\$ 1,143,000.00				
	Listing price		\$ 1,211,580.00			\$ 1,007,671.09	6%
	Final sale price		\$ 1,134,870.00			\$ 943,871.38	-1.00%
SALES STATISTICS							
Open House and Showings		Attendance (households)		Expression of Interest	Offers	Comments	
Open House - October 16, 2025		20		9	8	closed March 2026	
10 Sundance Court	Original purchase price		\$ 683,080.34		81.03%	\$ 553,500.00	
	Average appraisal - BMV		\$ 871,000.00				
	Listing price		\$ 924,935.00			\$ 749,474.83	6%
	Final sale price		\$ 924,935.00			\$ 749,474.83	6%
SALES STATISTICS							
Open House and Showings		Attendance (households)		Expression of Interest	Offers	Comments	
Open House - November 20, 2025		28		12	1	closed February 2026	
7 Fairholme	Original purchase price		\$ 660,000.00		73.67%	\$ 486,222.00	
	Average appraisal - BMV		\$ 1,185,000.00				
	Listing price		\$ 1,256,100.00			\$ 925,368.87	6%
	Final sale price		\$ 1,239,000.00			\$ 912,771.30	4%
SALES STATISTICS							
Open House and Showings		Attendance (households)		Expression of Interest	Offers	Comments	
Open House - December 8, 2025		22		17	1	closed February 2026	

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,
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.

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:

Director

Director

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
	2,156,195	2,514,073
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
	1,788,365	2,241,693
Excess revenues over expenses	\$ 367,830	\$ 272,380

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
	727,184	1,256,352
Investing activities:		
Purchase of tangible capital assets	–	(9,654)
Proceeds on disposal of vehicles	5,800	–
	5,800	(9,654)
Financing activities:		
Repayment of principal for Ti'nu Development and Contributions	(314,869)	(304,784)
Repayment of bank indebtedness	–	(517,833)
	(314,869)	(822,617)
Increase in cash	418,115	424,081
Cash, beginning of year	1,781,199	1,357,118
Cash, end of year	\$ 2,199,314	\$ 1,781,199

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
	\$ 11,304,274	\$ 1,625,284	\$ 9,678,990	\$ 9,903,620

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.



METRIX GROUP LLP

CHARTERED PROFESSIONAL
ACCOUNTANTS

BANFF HOUSING CORPORATION

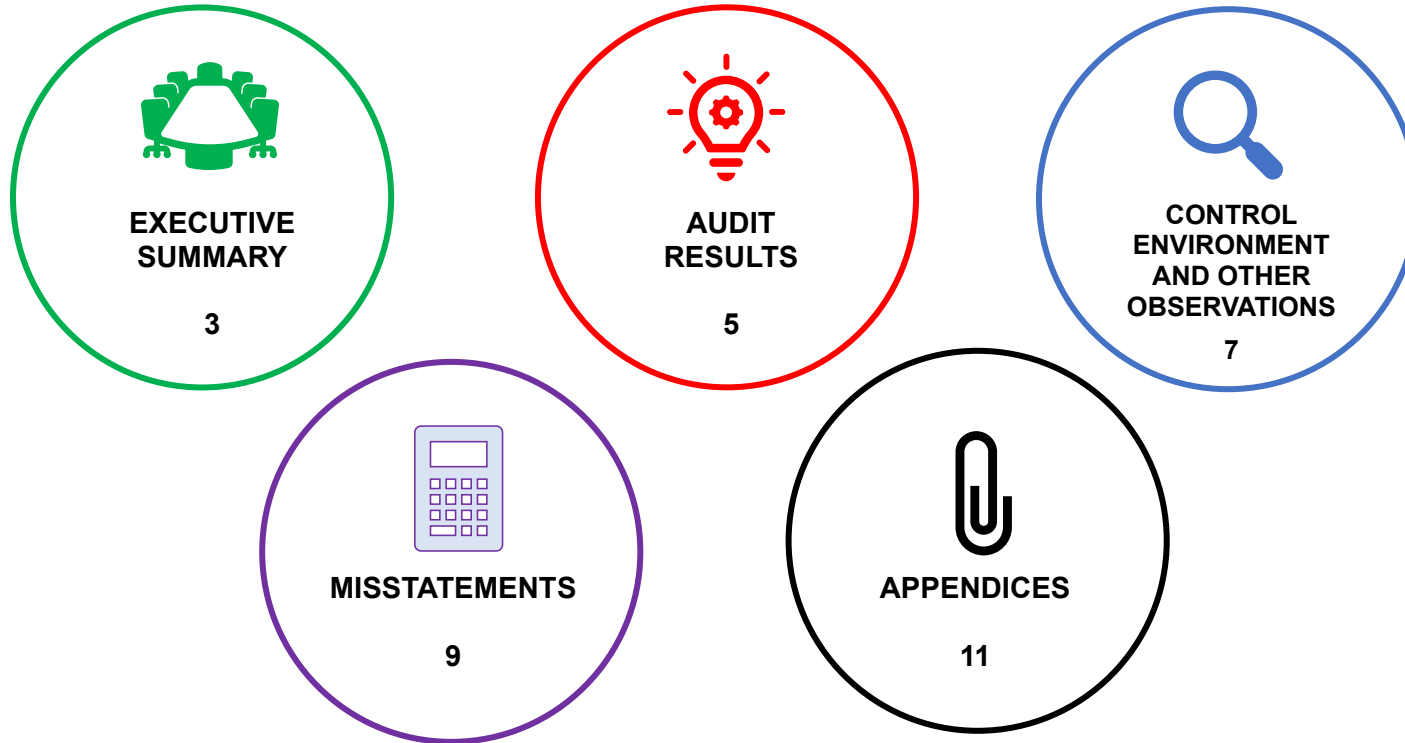
Audit Findings Report

For the year-ended December 31, 2025

April 16, 2026



REPORT CONTENTS





EXECUTIVE SUMMARY

Purpose of this report

The purpose of this report is to communicate clearly with you the findings of our audit of Banff Housing Corporation (the “Corporation”) for the period ended December 31, 2025. This communication is to summarize the result of our procedures and provide comments on any significant matters, including misstatements accounting policies, estimates, and other matters, that we have identified.

Finalizing the audit

As of April 16, 2026, we have substantially completed the audit of the Corporation’s financial statement with the exception of:

- Completing our subsequent events procedures.
- Obtaining the signed management representation letter.
- Completing our required communication to Board.
- Obtaining evidence of Board’s approval of the financial statements.

We will update the Board on significant matters, if any, arising from the completion of the audit, including the completion of the procedures above.

Changes from the audit plan

There have been no significant changes to our audit plan from what was communicated in our Audit Planning Report previously presented to you.

Materiality

The auditors’ determination of materiality is a matter of professional judgement and is affected by the auditors’ perception of the financial information needs of users of the financial statements.

Materiality for the 2025 audit was set at \$127,560 (1% of Total Assets) with a trivial threshold of \$4,780. We anticipate that management will record any adjustments that we propose that are of a non-trivial nature. Please refer to summary of adjusted and uncorrected misstatements for misstatements identified.

Significant difficulties encountered during the audit

We encountered no significant difficulties during our audit that should be brought to the attention of the Board.

Engagement team

Team member	Role	Experience
Jeff Alliston, CPA, CA Engagement Partner	As the engagement partner, Jeff holds the responsibility of leading the audit and will be responsible for the quality and timeliness of the audit.	Jeff holds over 15 years of public sector auditing experience working with municipalities of all types and sizes. He has also delivered many presentations on public sector topics and is also a member of the Emerging Issues Task Force as administered by the Government Finance Officers Association – Alberta Chapter.
Dayle Weslosky, CPA, MBA Manager	Dayle leads the team as the engagement manager. Dayle is responsible for planning, executing, and reporting the audit.	Dayle holds over five years of providing assurance services to clients and has since developed a specialization in public sector entities, not-for-profit organizations, and school divisions. Her clients vary in size ranging from less complex entities to large organizations.



AUDIT RESULTS

The following is a summary of our audit focus including risks identified, our procedures performed in response, and our findings.

Management override of controls		
Risk	Our Response	Findings
Management is in a unique position to perpetrate financial statement fraud through the manipulation of accounting records. Under Canadian assurance standards, there is a presumed fraud risk related to management's ability to override internal controls. This risk is not rebuttable.	Using data analytics, we have identified journal entries that exhibit characteristics which may be indicative of possible control override. We have assessed the business rationale of the transactions taking into consideration estimates applied, application of accounting policies, evidence of potential management bias.	No matters of concern were identified.
Rental revenue		
Risk	Our Response	Findings
Rental revenue may be misstated due to incomplete recording of rental income, incorrect rental rates being applied, or revenue being recognized in an incorrect reporting period.	<ul style="list-style-type: none">- We obtained an understanding of the processes and controls in place over rental billing and revenue recognition.- We assessed whether rental revenue is recognized in the period in which rental services are provided.- We performed analytical procedures comparing current year rental revenue to prior year results and occupancy levels.- We assessed the completeness of rental revenue by reviewing tenant listings and reconciling to revenue recorded.	No matters of concern were identified.

Due to (from) the Town of Banff		
Risk	Our Response	Findings
Amounts owing to the Town of Banff related to the Ti'nu Development or other operations may not be accurately recorded, classified, or disclosed, including the current and long-term portions of the liability.	<ul style="list-style-type: none"> - We obtained and reviewed the loan agreements and repayment schedules related to the Ti'nu Development financing. - We assessed the reasonableness of the principal and interest amounts recorded during the year. - We verified the classification between current and non-current portions of the liability. - We agreed balances and transactions to supporting documentation and amortization schedules. 	No matters of concern were identified.
Tangible capital assets		
Risk	Our Response	Findings
<p>There exists the risk that TCA has been expensed rather than capitalized or has been recorded incorrectly. Conversely, there exists the risk that expenditures that are not capital in nature have been capitalized.</p> <p>The valuation of TCA is subject to management's estimate which may be complex and subject to change.</p>	<ul style="list-style-type: none"> - We have reviewed the amortization policy. - We have performed substantive tests of details over additions and disposals. - We have re-calculated amortization expense and gains / losses on the disposal of TCA. - We have inquired with management about indicators of impairment. - We have assessed the completeness of contributed tangible capital assets. 	<p>No significant findings have been identified.</p> <p>We have identified other matters. Please refer to the <i>Control Environment and Other Observations</i> section below.</p>



CONTROL ENVIRONMENT AND OTHER OBSERVATIONS

Our objective is to communicate appropriately to Board any significant deficiencies in internal control that we have identified during the audit and that, in our professional judgement, are of sufficient importance to merit being reported to those charged with governance.

The audit findings contained in this report did not have a material effect on the Corporation's financial statements, and as such, our audit report is without reservation with respect to these matters.

Significant Deficiencies of Internal Controls

We have not identified any control deficiencies that we have determined to be significant to internal controls over financial reporting.

Significant Qualitative Aspects of Accounting Policies

Management is responsible for determining significant accounting policies. The choice of different accounting policy alternatives can have a significant effect on the financial position and results of the Corporation. The application of those policies often involved significant estimates and judgements by management.

There have been no other initial selections of, or changes to, significant accounting policies and practices that we would like to bring to your attention.

We are of the opinion that the significant accounting policies and the financial disclosures made by management do not materially misstate the financial statements taken as a whole

Significant Qualitative Aspects of Accounting Estimates

Management is required to disclose the assumptions it makes about the future, and other major sources of measurement uncertainty, that have a significant risk of resulting in a material misstatement to the financial statements.

Significant estimates relate to the valuation of accounts receivable, the useful lives and related amortization of tangible capital assets, and contingent liabilities.

Overall, we are satisfied with the reasonability of accounting estimates.

Other Matters

Tangible Capital Assets – Capital Asset Policy

Metrix noted that the Corporation does not currently have a formalized tangible capital asset (TCA) policy in place. A documented policy typically outlines key accounting treatments such as capitalization thresholds, amortization methods, and useful lives of assets.

In addition, the financial statements for 2024 indicate that certain assets are amortized using the declining balance method. However, the adjusted TCA schedule provided during the audit calculated amortization using the straight-line method. As a result, the amortization method applied in the working schedules was not consistent with the accounting policy disclosed in the financial statements.

Without a formalized capital asset policy and consistent application of amortization methods, there is an increased risk that tangible capital assets and related amortization may not be calculated or applied consistently from year to year.

We recommend that management develop and document a formal tangible capital asset policy that outlines capitalization thresholds, amortization methods, and useful lives for each asset class. Once established, this policy should be applied consistently in the preparation of asset schedules and financial reporting.

Second Mortgages

During the current year audit, we noted that second mortgages related to the Corporation's housing program had historically been recorded as both a mortgage receivable and corresponding deferred revenue. These amounts represent non-interest bearing mortgages registered against properties that become repayable only upon a future triggering event, such as the sale of the property or transfer of title.

Based on our review of the underlying agreements and accounting guidance, the timing and likelihood of repayment cannot be reasonably determined until the triggering event occurs. As a result, recognition of both a receivable and deferred revenue balance in prior years did not appropriately reflect the substance of the arrangement.

Management has updated the accounting treatment in the current year to derecognize these balances and disclose the arrangement as a contractual right in the notes to the financial statements.



MISSTATEMENTS

ADJUSTED MISSTATEMENTS

The following adjustments have been recorded in order for the Corporation to comply with reporting requirements under Canadian public sector accounting standards.

Increase (decrease) from opening balances				
Differences noted	Assets	Liabilities	Accumulated Surplus	Annual Surplus
Three audit adjustments	\$ (802,500)	\$ 821,500	\$ 19,000	\$ 19,000
Total Adjusted Differences (Income Effect)				\$ 19,000

UNCORRECTED MISSTATEMENTS

The total unrecorded misstatements noted during the audit amounted to a \$5,000 understatement of the Corporation's surplus for the year ended December 31, 2025.

Amount of over (under) misstatement				
Description	Assets	Liabilities	Surplus	Accumulated Surplus
To record vehicles disposed and capitalized in the correct period	\$ (5,000)	\$ -	\$ (12,215)	\$ (5,000)
Total unrecorded misstatements				\$ (5,000)

After considering both quantitative and qualitative factors with respect to the uncorrected misstatements accumulated during the audit, we agree with management that the uncorrected misstatements are not material to the financial statements. Accordingly, our auditors' opinion has not been modified with respect to the uncorrected misstatements presented.



APPENDICES

- **Appendix 1 – Required communications**
- **Appendix 2 – Management representation letter**

Appendix 1 – Required communications

Independence

We have been engaged to audit the financial statement of the Corporation for the year ending December 31, 2025.

We believe that it is important that we communicate at least annually with you regarding all relationships between the Corporation and our firm that, in our professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Alberta and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client.
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationships between the Corporation and ourselves that, in our professional judgement, may reasonably be thought to bear on our independence that have occurred from January 1, 2025 to April 16, 2026.

Management representation

Management's representations are integral to the audit evidence we will gather. Prior to the release of our independent auditors' report, we will require management's representations in writing to support the content of our report. Please refer to **Appendix 2**.

Appendix 2 – Management representation letter

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BANFF HOUSING CORPORATION

2006, 547 Coyote Lane
Banff, Alberta
T1L 1A1

April 16, 2026

Metrix Group LLP
12840 St. Albert Trail
Edmonton Alberta T5L 4H6

Attention: Jeff Alliston, CPA, CA

Dear Sir:

Re: Management representation letter

This representation letter is provided in connection with your audit of the financial statements of Banff Housing Corporation for the period ended December 31, 2025 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated February 20, 2026 for:

- a) Preparing and fairly presenting the consolidated financial statements in accordance with PSAS;
- b) Providing you with:
 - i) Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii) Additional information that you have requested from us for the purpose of the audit; and
 - iii) Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c) Providing you with complete responses to all inquiries made to us by you during the engagement.
- d) Ensuring that all transactions have been recorded in the accounting records and are reflected in the consolidated financial statements; and
- e) Designing and implementing such internal control as we determined is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

(continued)

Fraud and Non Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We have disclosed to you the identity of all of the Company's related-party relationships and transactions of which we are aware. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the methods, significant assumptions and the data used by us in making accounting estimates and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with Canadian public sector accounting standards.

Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

(continued)

Future plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

Acknowledged and agreed on behalf of Banff Housing Corporation by:

Heather Bolt,
Operations Supervisor

April 16, 2026
Date signed

Banff Housing Corporation

Year End: December 31, 2025

Unrecorded Journal Entries

Date: 1/1/2025 To 12/31/2025

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
SUD01	12/31/2025	Ti'Nu Vehicles	1-9300 BHC	U2-2	5,000.00			
SUD01	12/31/2025	Restricted Reserve - Tinu Surplus	3-2000 BHC	U2-2		5,000.00		
To record the capitalize the expensed vehicle acquired in 2019								
SUD02	12/31/2025	Restricted Reserve - Tinu Surplus	3-2000 BHC	U2-2	12,215.24			
SUD02	12/31/2025	Gain/loss on disposal of assets	5-2200 TIN	U2-2		10,549.52		
SUD02	12/31/2025	Amortization Expense	6-1010 TIN	U2-2		1,665.72		
To record the disposal of a vehicle in 2023								
					17,215.24	17,215.24		
Net Income (Loss)					380,046.76			

Prepared by	Reviewed by	Reviewed by

Appendix 3 – New and revised accounting standards

Standard	Summary	Effective Date
PS 1202 Financial Statement Presentation	This standard sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector.	Fiscal years beginning on or after April 1, 2026. Early adoption is permitted.
The Conceptual Framework for Financial Reporting in the Public Sector	The PSAB's framework replaces the conceptual aspects of PS 1000 – Financial Statement Concepts, and PS 1100 – Financial Statement Objectives.	Fiscal years beginning on or after April 1, 2026. Early adoption is permitted.