ROCKY VIEW FOUNDATION

Financial Statements

For the Year Ended December 31, 2025

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Rocky View Foundation

Opinion

We have audited the financial statements of Rocky View Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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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 Foundation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Foundation 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
March 31, 2026

ROCKY VIEW FOUNDATION

Statement of Financial Position

As at December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash *(Note 3)*	**$ 5,821,062**	$ 3,555,638
Short-term investments *(Note 4)*	**25,000**	304,835
Accounts receivable *(Note 5)*	**33,688**	22,367
GST receivable	**60,907**	166,483
Inventory	**49,329**	-
Prepaid expenses	**172,064**	77,947
	6,162,050	4,127,270
RESTRICTED CASH *(Note 9)*	**187,606**	186,623
TANGIBLE CAPITAL ASSETS *(Note 6)*	**20,238,987**	20,696,673
	$ 26,588,643	$ 25,010,566
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities *(Note 8)*	**$ 844,436**	$ 1,138,307
Security deposit payable *(Note 9)*	**187,606**	186,623
Deferred contributions *(Note 10)*	**1,017,649**	596,548
Callable debt *(Note 11)*	**2,889,454**	10,698,866
Current portion of long term debt *(Note 12)*	**80,431**	-
	5,019,576	12,620,344
LONG TERM DEBT *(Note 12)*	**8,301,871**	-
DEFERRED CAPITAL CONTRIBUTIONS *(Note 13)*	**9,191,135**	9,664,440
	22,512,582	22,284,784
NET ASSETS	**4,076,061**	2,725,782
	$ 26,588,643	$ 25,010,566

COMMITMENTS *(Note 15)*

CONTINGENT LIABILITY *(Note 16)*

The accompanying notes are an integral part of these financial statements

ROCKY VIEW FOUNDATION

Statement of Revenues and Expenditures

For the Year Ended December 31, 2025

	2025	2024
REVENUE		
Rental accommodation	**$ 5,367,081**	$ 5,095,186
Municipal requisitions *(Note 14)*	**3,375,064**	3,143,990
Lodge assistance program funding	**1,279,143**	1,207,983
Amortization of deferred capital contributions *(Note 13)*	**473,305**	460,021
Provincial operational funding	**209,400**	59,164
Residential services	**169,157**	167,333
Investment income	**129,610**	57,109
Donations and fundraising	**100,175**	42,738
Non-residential services	**60,672**	48,164
Other income	**-**	13,033
	11,163,607	10,294,721
EXPENSES		
Human Resources	**5,355,394**	4,800,799
Amortization	**1,085,181**	985,219
Operating	**1,071,649**	1,113,067
Utilities	**720,814**	730,819
Building operating maintenance	**668,708**	525,136
Administration	**490,752**	365,798
Interest on long term debt	**414,633**	790,005
Bank charges	**6,496**	6,598
Board Expenses	**6,317**	8,117
	9,819,944	9,325,558
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	**1,343,663**	969,163
OTHER INCOME		
Realized gain on marketable securities	**6,616**	4,983
Gain on disposal of tangible capital assets	**-**	9,500
	6,616	14,483
EXCESS OF REVENUE OVER EXPENSES	**$ 1,350,279**	$ 983,646

The accompanying notes are an integral part of these financial statements

ROCKY VIEW FOUNDATION

Statement of Changes in Net Assets

For the Year Ended December 31, 2025

	Unrestricted Fund	Invested in Tangible Capital Assets	Restricted Fund	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 2,725,782	$ -	$ -	**$ 2,725,782**	$ 1,742,137
Excess of revenue over expenses	1,350,279	-	-	**1,350,279**	983,645
NET ASSETS - END OF YEAR	$ 4,076,061	$ -	$ -	**$ 4,076,061**	$ 2,725,782

The accompanying notes are an integral part of these financial statements

ROCKY VIEW FOUNDATION
Statement of Cash Flows
For the Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 1,350,279	$ 983,646
Items not affecting cash:		
Amortization	1,085,181	985,219
Amortization of deferred capital contributions	(473,305)	(460,021)
Gain on disposal of tangible capital assets	-	(9,500)
Unrealized gain on investments	-	(4,983)
Realized gain on investments	(6,616)	-
	1,955,539	1,494,361
Changes in non-cash working capital:		
Accounts receivable	(11,321)	852,405
GST receivable	105,576	(58,952)
Prepaid expenses	(94,117)	60,028
Inventory	(49,329)	-
Accounts payable and accrued liabilities	(293,871)	178,380
Security deposit payable	983	57,511
Deferred contributions	421,101	(13,319)
	79,022	1,076,053
Cash flow from operating activities	2,034,561	2,570,414
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(627,494)	(2,051,009)
Proceeds on disposal of tangible capital assets	-	9,500
Deferred capital contributions received	-	225,665
Purchase of investments	(25,000)	(237,161)
Proceeds from sale of investments	311,451	237,161
Cash flow used by investing activities	(341,043)	(1,815,844)
FINANCING ACTIVITIES		
Repayment of demand loans	(7,809,413)	(409,029)
Proceeds from long term debt	8,387,775	-
Repayment of long term debt	(5,473)	-
Cash flow from (used by) financing activities	572,889	(409,029)
INCREASE IN CASH FLOW	2,266,407	345,541
Cash - beginning of year	3,742,261	3,396,720
CASH - END OF YEAR	$ 6,008,668	$ 3,742,261
CASH CONSISTS OF:		
Cash	$ 5,821,062	$ 3,555,638
Restricted cash	187,606	186,623
	$ 6,008,668	$ 3,742,261

The accompanying notes are an integral part of these financial statements

1. PURPOSE OF THE ORGANIZATION

Rocky View Foundation (the "Foundation") is a not-for-profit organization with the objective of providing housing solutions to residents in the Rocky View region.

The Foundation was established as a Management Body by authority of the Alberta Housing Act under a provincial ministerial order on August 1, 1964. The Foundation is a registered charity under the Income Tax Act and is therefore exempt from income tax in accordance with Section 149 of the Income Tax Act.

Independent Living Program

Independent living manors (self-contained units) are one-bedroom apartment units serving singles and couples who are aged 65+ and able to cook, clean and live independently. Operations of self-contained units is funded by tenant rent, with capital maintenance funding for major repairs and improvements from Alberta Seniors and Housing.

Supportive Living Program

Supporting living lodges are for seniors 65+ who are functionally independent, with or without the help of existing community-based services. Services include providing meals, weekly linen changes and housekeeping, social and leisure programs, medication assistance and 24-hour staffing. Lodges are funded by Provincial government grants, requisitions to partnering municipalities and rent paid by residents.

The combined operations of both Independent and Supportive Programs are included in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS"). In addition, the Foundation have elected to adopt sections PS 4200 to PS 4270 of PSAS for Government Not-For-Profit Organizations. The significant accounting policies are detailed below.

Cash and cash equivalents

Cash include cash on hand and balances deposited in Canadian financial institutions.

Cash equivalents include temporary and short term investments that are readily convertible to known amounts of cash with a maturity term of 90 days or less from the date of purchase.

Contributed goods and services

The Foundation benefits from contributed services in the form of volunteer time to assist the Foundation in carrying out its activities. Due to the difficulty in determining the fair value of donated materials and services, these items are therefore not reflected in these financial statements. Donations of goods are recognized when the goods would otherwise have been purchased and fair market value can be reasonably estimated.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Rocky View Foundation follows the deferral method of accounting for contributions, which include government grants.

Restricted contributions (reserve grants) and restricted investment income are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and unrestricted investment income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental and service package revenue for residents is recorded at the start of each month the service is provided.

Capital contributions are recorded as unamortized capital contributions and amortized to revenue using the same amortization rates as the funded tangible capital assets. Capital contributions that have not been utilized to acquire a tangible capital asset are recorded as deferred capital contributions.

Other revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Net assets

a) Net assets invested in tangible capital assets represents the Foundation’s net investment in tangible capital assets which is comprised of the unamortized amount of tangible capital assets less any debts utilized to acquire tangible capital assets as well as unamortized deferred capital contributions.
b) Internally restricted net assets are funds which have been designated for a specific purpose by the Foundation’s Board of Directors. Internally restricted funds consist of operating and capital reserve funds.
c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Foundation each year, net of transfers, and are available for general purposes.

Over and under municipal requisitions

Over and under municipal requisitions arise from the difference between the Foundation's actual operational results compared to the actual amount requisitioned from those municipalities for which the Foundation provides lodge accommodation for. When an operational surplus exist, an over-requisition is accrued as a liability and municipal requisition revenue is reduced. When an operational deficit exist, an under-requisition is accrued as a receivable and as municipal requisition revenue. Requisition amounts from municipalities in the subsequent year are adjusted for any over or under requisitions of the prior year. Operational surplus/deficit calculations are performed in accordance to the provision of the Alberta Housing guidelines and will differ from the results of the statement of operations that are prepared in accordance with Public Sector Accounting Standards for Government Not-For-Profit Organizations.

Bad debts

Bad debts are only written off if carried on the books for at least one year and determined to be uncollectible. A provision for doubtful accounts has been set up based on a historical average of bad debts.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost and are amortized on a straight-line basis at the following rates:

Buildings	4%
Leasehold improvements	4%
Outbuildings	5%
Furniture & Equipment	10%
Vehicles	20%
Computer equipment	20%

The Foundation recognizes assets with an individual cost of $1,500 or more and expected useful life of more than one year as tangible capital assets.

Contributed tangible capital assets are recorded at fair value at the date of contribution. Contributed tangible capital assets are initially recognized as a deferred capital contribution and recognized as revenue on the same basis as amortization expense. Contributed tangible capital assets not subject to amortization are recognized as a direct increase in net assets.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Tangible capital assets acquired and put into use are amortized starting in the fiscal year following the year of acquisition.

Work in progress is not available for use and no amortization is taken on the amount spent until the project is fully completed and put into use.

The Foundation regularly reviews its tangible capital assets for any indicators of impairment. Write downs will be recognized when conditions indicate that a tangible capital asset no longer contributes to the Foundation's ability to provide goods or services, or that the value of future economic benefits associated with the tangible capital asset is less than its book value. Upon retirement or disposition of tangible capital assets, the capitalized cost and related accumulated amortization are removed from the statement of financial position and any resulting gain or loss is recognized in the statement of operations.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Significant areas requiring the use of estimates include: allowance for doubtful accounts, estimated useful life of capital assets and the corresponding rates of amortization, and the allocation of expenses between programs. All estimates are periodically reviewed and adjustments are made to the earnings in the period in which they become known.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement of Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

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

Financial assets measured at amortized cost include cash, restricted cash, short term investments (Guaranteed Investment Certificates), and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, security deposits payable, deferred contributions, callable debt, and long term debt.

The Foundation equity instruments included in short-term investments are measured at fair value.

Transaction costs

Transactions costs related to financial instruments recorded at amortized cost are reflected in the carrying value of the instruments at their issuance or assumption. Transaction costs related to financial instruments recorded at fair value are expensed as incurred.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in revenue over expenses.

3. CASH

	2025	2024
Unrestricted cash	**$ 3,275,879**	$ 1,567,980
Restricted Donations	**762,533**	1,386,788
Rent Assistance Benefit Program	**331,067**	517,675
Restricted capital reserve fund	**1,405,423**	22,784
Restricted operating reserve fund	**46,160**	60,411
Total internally restricted cash	**2,545,183**	1,987,658
	$ 5,821,062	$ 3,555,638

4. SHORT-TERM INVESTMENTS

	2025 Cost	**2025 Market value**	2024 Cost	2024 Market value
Guaranteed investment certificate	**$ 25,000**	**$ 25,000**	$ 237,160	$ 237,160
Equity marketable securities	**-**	**-**	50,741	67,675
	$ 25,000	**$ 25,000**	$ 287,901	$ 304,835

Guaranteed investment certificate bears interest at 1.9% (2024 - 3.0%), maturing December 11, 2026.

Investment income recognized in the Statement of Operations includes $8,575 (2024 - $12,485) of dividend income and $6,616 (2024 - $4,983) in realized gains on equity instruments carried at fair value.

5. ACCOUNTS RECEIVABLE

	2025	2024
Tenant receivable	**$ 33,688**	$ 22,367

During the year, the Foundation reported bad debts of $10,093 (2024 - $3,218). This amount was included in operating expenses.

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	**2025 Net book value**	2024 Net book value
Land	$ 1,310,002	$ -	**$ 1,310,002**	$ 1,310,002
Buildings	26,022,624	7,765,084	**18,257,540**	18,637,523
Furniture & Equipment	792,491	571,347	**221,144**	265,129
Vehicles	455,679	137,044	**318,635**	358,840
Outbuildings	68,671	44,642	**24,029**	26,590
Leasehold improvements	150,148	42,511	**107,637**	98,589
	$ 28,799,615	$ 8,560,628	**$ 20,238,987**	$ 20,696,673

Included in the cost of buildings is $507,095 (2024 - $434,368) of work in progress costs related to ongoing capital projects.

7. OPERATING LINES OF CREDIT

The Foundation has an authorized municipal operating line of credit with ATB Financial for $100,000 (2024 - $100,000) bearing interest at prime plus 1%. The line of credit is to be utilized for operations for Rocky View Lodge. As at year end, the Foundation had $100,000 (2024 - $100,000) available for use.

The Foundation has an authorized municipal line of credit with ATB Financial for $250,000 (2024 - $250,000), bearing interest at prime plus 1%. The line of credit is to be utilized for the Bragg Creek Development. As at year end, the Foundation had $250,000 (2024 - $250,000) available for use.

Security is disclosed in Note 11.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade payables	**$ 333,848**	$ 600,581
Salaries, wages and benefits payable	**163,702**	136,775
Accrued liabilities	**83,064**	114,131
Employee deductions payable	**86,239**	77,926
Vacation payable	**177,583**	208,894
	$ 844,436	$ 1,138,307

The Foundation has an authorized credit card with ATB Financial, with a maximum authorized limit of $20,000 (2024 - $20,000), bearing interest at prime plus 6%. As at year end, the Foundation had $8,032 (2024 - $17,969) available for use.

The Foundation received funding under a Rent Supplement Program for the delivery of Rental Assistance Benefits to eligible tenants. The Foundation manages the funds accordingly based on attrition and turn-over rates.

9. SECURITY DEPOSITS

	2025	2024
Security deposits	**$ 187,606**	$ 186,624

Tenant security deposits are held in trust until the tenant vacates the unit and cannot be utilized for general purposes. The deposits are refunded, less charges for damages or cleaning, following termination of the rental agreement.

10. DEFERRED CONTRIBUTIONS

	December 31 2024	Contributions Received	Contributions Used	**December 31 2025**
Social Housing operations				
Restricted Operating Reserve Fund	$ 51,814	$ -	$ 37,014	**$ 14,800**
Deferred Operating Reserve Fund	4,274	28,340	-	**32,614**
Rent Assistance Benefit fund	517,675	1,243,000	1,313,225	**447,450**
Lodge operations				
CMHC Bragg Creek Seed fund	5,260	-	-	**5,260**
Other	17,525	-	-	**17,525**
Lodge capital	-	-	-	-
Affordable Housing Reserve Fund	-	500,000	-	**500,000**
	$ 596,548	$ 1,771,340	$ 1,350,239	**$ 1,017,649**

The Foundation received funding from the Bragg Creek Seniors Housing Society for the purpose of being utilized for a project feature in a seniors housing project in Bragg Creek.

During the year, the Foundation requisitioned $500,000 from Rocky View County for the affordable housing reserve fund.

11. CALLABLE DEBT

	2025	2024
ATB Financial loan bearing interest at prime plus .5% per annum, repayable in monthly blended payments of $57,300. The loan matured on January 31, 2025.	**$ -**	$ 7,373,952
ATB Financial loan bearing interest at prime plus .5% per annum, repayable in monthly blended payments of $21,825. The loan matures on July 30, 2026 and is payable on demand.	**1,074,997**	1,272,785
ATB Financial loan bearing interest at prime plus 0% per annum, repayable in monthly blended payments of $24,955. The loan matures on April 28, 2026 and is payable on demand.	**1,697,267**	1,907,642
ATB Financial loan bearing interest at prime plus 0% per annum, repayable in bi-weekly blended payments of $1,300. The loan matures on April 28, 2026 and is payable on demand.	**117,190**	144,487
	$ 2,889,454	$ 10,698,866

The ATB Financial credit facilities are secured by a general security agreement and related tangible capital assets with carrying value of $2,889,454 (2024 - $10,698,866)

The Foundation is subject to a reporting covenant which requires submission of audited financial statements to the bank within 8 months of the Foundation's fiscal year end. As at the date of these financial statements, management expects to be compliant with the reporting covenant.

12. LONG TERM DEBT

	2025	2024
Canadian Mortgage and Housing Corporation loan bearing interest at 3.37% per annum, compounded semi-annually, and maturing on February 1, 2035. The loan is repayable in blended monthly installments of $27,472.	**$ 7,992,776**	$ -
Canadian Mortgage and Housing Corporation forgivable loan	**345,599**	-
Canadian Mortgage and Housing Corporation seed fund	**43,927**	-
	8,382,302	-
Amounts payable within one year	**(80,431)**	-
	$ 8,301,871	$ -

The Canada Mortgage and Housing Corporation (CMHC) forgivable loan is interest-free. An amount equal to 5% of the principal is forgive annually provided the Foundation complies with the loan agreement. The amount forgiven each year is recognized as government transfer revenue. In the event of default, the loan will bear interest at 5% per annum.

The CMHC seed fund is a non-revolving credit facility of up to $78,800. Balance drawn is interest free prior to the maturity date, and bears interest at prime plus 2% per annum beginning 30 days after the maturity date. Balance drawn is forgivable at the discretion of CMHC. As at December 31, 2025, $43,927 has been drawn from the facility.

The CMHC loan is secured by a first priority mortgage registered against the related property in an amount equal to 120% of the combined loan amounts, a first priority assignment of rents and leases from the related property, a first priority site-specific general security agreement, and a general assignment of all material construction contracts.

Principal repayment terms are approximately:

2026	$ 80,431
2027	82,578
2028	128,652
2029	87,151
2030	89,463
Thereafter	7,914,027
	$ 8,382,302

The Foundation is subject to a reporting covenant, requiring the submission of audited annual financial statements within 120 days after the end of the fiscal year.

As at the date of these financial statements, management expects to be compliant with the reporting covenants.

13. DEFERRED CAPITAL CONTRIBUTION

Deferred capital contributions represent contributions to the Foundation's tangible capital assets that are amortized into revenue at the same rate the related capital assets are amortized.

	2025	2024
Balance, beginning of year	**$ 9,664,440**	$ 9,898,796
Contributions received in the year	**-**	225,665
Amortization of deferred capital contribution	**(473,305)**	(460,021)
	$ 9,191,135	$ 9,664,440

14. MUNICIPAL REQUISITIONS

The Alberta Housing Act, Part 7 - Requisitions, states that a housing management body which provides lodge accommodation may requisition the municipalities for which it provides this accommodation. The requisition can be made for the management body's annual deficit arising from provision of this accommodation for the previous fiscal year, and it can also be for any amounts necessary to establish or continue a reserve fund for the management body.

	2025	2024
Rocky View County	**$ 1,650,879**	$ 1,540,953
City of Airdrie	**1,099,389**	1,025,949
Town of Cochrane	**553,679**	508,529
Town of Crossfield	**53,494**	51,308
Town of Irricana	**9,938**	9,690
Village of Beiseker	**7,685**	7,561
	$ 3,375,064	$ 3,143,990

15. COMMITMENTS

On September 1, 2025, the Foundation renewed a 5 year lease agreement for administration office space for Foundation operations.

The following are the Foundation's commitments as at December 31, 2025:

2026	$ 54,102
2027	56,219
2028	57,980
2029	59,622
2030	40,403
	$ 268,326

16. CONTINGENT LIABILITY

The Foundation is involved in a legal matter that remains under dispute as at year-end. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the loss can be reasonably estimated, amounts have been included within accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded.

17. FINANCIAL INSTRUMENTS

The Foundation's is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risk. The following risk analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2025:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk as credit is granted to its tenants in the normal course of operations. In order to mitigate its credit risk, the Foundation evict tenants who have not paid within a reasonable amount of time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management oversees liquidity risk to ensure the Foundation has access to enough readily available funds to cover its financial obligations as they become due. The Foundation manages liquidity risk by continuously monitoring daily cash flows, long term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Foundation is exposed to this risk mainly in respect to its receipt of funds from its customers and other related sources, credit facilities, accounts payable and accrued liabilities and security deposits payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Foundation is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its interest bearing credit facilities and loans.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant credit, currency or other price risks arising from these financial instruments.

ROCKY VIEW FOUNDATION

Schedule of Foundation Lodge Operations **(Schedule 1)**

For the Year Ended December 31, 2025

	Rocky View Lodge 2025	Big Hill Lodge 2025	Diamond Jubilee Manor Suites 2025	Abrio Place 2025	Administration 2025	**Total 2025**	Total 2024
REVENUES							
Rental accommodations	$ 1,310,437	$ 1,305,200	$ 123,680	$ 2,058,385	$ -	**$ 4,797,702**	$ 4,543,536
Municipal requisitions	1,026,321	858,994	-	1,489,749	-	**3,375,064**	3,143,990
Lodge assistance program funding	451,680	297,794	-	529,669	-	**1,279,143**	1,207,983
Amortization of deferred capital contribution	189,400	8,783	80,777	194,345	-	**473,305**	460,022
Residential services	38,283	38,203	480	49,863	-	**126,829**	128,893
Non-residential services	7,218	21,750	-	31,704	-	**60,672**	66,230
Investment income	4,412	14,556	73	25,938	86,680	**131,659**	61,312
Donations and fundraising	17,634	74,441	-	8,100	-	**100,175**	42,739
Provincial operational funding	-	-	-	-	-	**-**	57,194
Other income	-	-	-	-	71,840	**71,840**	4,467
	3,045,385	2,619,721	205,010	4,387,753	158,520	**10,416,389**	9,716,366
EXPENDITURES							
Human Resources	1,611,862	1,627,624	34,716	1,822,127	-	**5,096,329**	4,588,121
Amortization	387,987	32,743	108,351	556,100	-	**1,085,181**	985,219
Operating	327,813	299,103	4,231	403,634	-	**1,034,781**	1,084,601
Utilities	146,934	159,978	25,956	235,631	-	**568,499**	571,672
Building operating maintenance	155,660	115,427	34,445	185,530	-	**491,062**	377,887
Interest on long term debt	89,085	-	6,341	319,208	-	**414,634**	796,602
Administration	100,958	106,484	15,035	140,335	-	**362,812**	320,499
Board expenses	1,706	2,022	126	2,463	-	**6,317**	8,117
Bank charges	809	917	171	4,599	-	**6,496**	-
	2,822,814	2,344,298	229,372	3,669,627	-	**9,066,111**	8,732,718
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ 222,571	$ 275,423	$ (24,362)	$ 718,126	$ 158,520	**$ 1,350,278**	$ 983,648

ROCKY VIEW FOUNDATION

Schedule of Foundation Self Contained Operations **(Schedule 2)**

For the Year Ended December 31, 2025

	Crossroads Manor 2025	Dr. Whillan's Manor 2025	Diamond Jubilee Manor 2025	Evergreen Manor 2025	**Total 2025**	Total 2024
REVENUES						
Rental accommodations	$ 45,345	$ 189,341	$ 156,940	$ 177,751	**$ 569,377**	$ 551,647
Residential services	1,368	13,902	14,341	12,719	**42,330**	38,441
Investment income	549	1,455	1,238	1,325	**4,567**	780
ASHC - Deficit funding	5,628	7,426	45,040	7,666	**65,760**	1,969
ASHC- Rent Supplement Admin fees received	-	-	-	-	**71,800**	-
	52,890	212,124	217,559	199,461	**753,834**	592,837
EXPENDITURES						
Utilities	15,848	41,555	42,598	52,314	**152,315**	159,146
Building operating maintenance	30,840	45,279	78,895	22,633	**177,647**	147,064
Administration	7,283	17,729	16,581	14,546	**56,139**	45,383
Operating	3,371	7,998	22,046	3,453	**36,868**	28,566
Human resources	24,656	95,470	51,412	87,527	**259,065**	212,678
ASHC- Rent Supplement Admin fees paid	-	-	-	-	**71,800**	-
	81,998	208,031	211,532	180,473	**753,834**	592,837
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ (29,108)	$ 4,093	$ 6,027	$ 18,988	**$ -**	$ -

The accompanying notes are an integral part of these financial statements