

MEDICINE HAT COMMUNITY HOUSING SOCIETY

COMBINED FINANCIAL STATEMENTS

For the year ended December 31, 2025

MEDICINE HAT COMMUNITY HOUSING SOCIETY
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December 31, 2025

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MANAGEMENT REPORT

The management of Medicine Hat Community Housing Society is responsible for preparing the combined financial statements, the notes to the combined financial statements and other financial information contained in this annual report.

The accompanying combined financial statements and other information contained in this Financial Report are the responsibility of the management of the Medicine Hat Community Housing Society.

These combined financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Society maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Society's assets are properly accounted for and adequately safeguarded.

The Board of Directors of the Medicine Hat Community Housing Society is responsible for ensuring that management fulfills its responsibilities for financial statements. The Board carries out its responsibility principally through the committee of the whole.

The Board meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Board also considers the engagement or re-appointment of the external auditors. The Board reviews the monthly financial reports.

The combined financial statements have been audited by Avail LLP, Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Board of the Society. Avail LLP has full and free access to the Board.

Medicine Hat Community Housing Society, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the combined financial statements.

Chief Administrative Officer
March 24, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Medicine Hat Community Housing Society

Opinion

We have audited the financial statements of Medicine Hat Community Housing Society, which comprise the combined statement of financial position as at December 31, 2025, and the combined statement of operations, statement of changes in fund balances and statement of 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 Society as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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. 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:

INDEPENDENT AUDITOR'S REPORT, continued

- ◆ 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 Society'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 Society'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 Society 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.

Lethbridge, Alberta
March 24, 2026

Avail LLP

Chartered Professional Accountants

MEDICINE HAT COMMUNITY HOUSING SOCIETY
COMBINED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	Provincial & Municipal Housing	Homeless & Community Housing	Transitional Housing	Affordable Housing	Outreach	2025	2024
ASSETS							
Current							
Cash (note 4)	\$ 3,963,937	\$ 1,771,541	-	\$ 2,584,465	\$ -	\$ 8,319,943	8,910,891
Accounts receivable (note 5)	519,042	226,104	3,758	231,815	38,248	1,018,967	1,339,937
Prepaid expenses	35,109	169	-	1,146	-	36,424	35,815
Interfund advances	880,988	101,752	35,970	2,597,229	143,341	3,759,280	3,536,770
Capital assets (note 6)							
	5,399,076	2,099,566	39,728	5,414,655	181,589	13,134,614	13,823,413
	3,315,335	25,405	594,928	7,999,938	-	11,935,606	10,507,329
	\$ 8,714,411	\$ 2,124,971	\$ 634,656	\$ 13,414,593	\$ 181,589	\$ 25,070,220	\$ 24,330,742

	2025	2024
LIABILITIES AND FUND BALANCES		
Current		
Accounts payable and accrued liabilities	\$ 1,138,139	\$ 69,444
Security deposits payable	155,958	21,045
Deferred revenue (note 7)	248,700	508,683
Interfund advances	3,086,197	571,331
Provincial restricted capital reserve	372,444	-
Provincial restricted operating reserve fund	86,800	-
Provincial deferred operating reserve fund	321,540	-
	5,409,778	1,170,503
Unamortized deferred capital contributions (note 8)	1,805,169	25,385
	7,214,947	1,195,888
	\$ 8,714,411	\$ 2,124,971

	2025	2024
Fund balances		
Unrestricted	(10,702)	929,063
Restricted fund (note 9)	-	-
Invested in capital assets (note 10)	1,510,166	20
	1,499,464	929,083
	\$ 8,714,411	\$ 2,124,971

Approved on behalf of the board
 Director Brian Audyke
 Director Scott Richter

MEDICINE HAT COMMUNITY HOUSING SOCIETY
COMBINED STATEMENT OF OPERATIONS
For the year ended December 31, 2025

	Provincial & Homeless & Affordable		2025		2024	
	Municipal Housing	Community Housing	Transitional Housing	Outreach	2025	2024
Revenue						
Provincial grants	\$ 1,669,314	\$ 2,263,498	\$ -	\$ 562,898	\$ 4,639,224	\$ 5,344,867
Rental revenue	2,383,342	243,056	74,060	185,196	4,045,550	3,615,461
Federal grants	-	1,586,179	-	771,697	2,357,876	2,641,040
Sundry revenue	574,027	50,015	11,744	-	776,631	447,079
Utilities recovered	129,140	-	-	-	129,140	131,001
Other grants	107,141	11,250	-	-	118,391	168,212
Donations	-	8,212	-	-	17,391	36,782
Amortization of deferred contributions	95,009	10,879	20,088	-	349,306	303,363
	4,957,973	4,173,089	105,892	1,519,791	12,433,509	12,687,805
Expenses						
Salaries and benefits	1,946,247	1,162,278	7,686	382,155	3,645,204	3,174,658
Grants provided	-	1,850,171	-	-	1,850,171	3,173,586
Repairs and maintenance	1,101,060	59,483	22,590	6,770	1,384,678	1,578,837
Utilities	905,219	49,940	6,965	560	1,149,178	1,154,639
Rent	29,845	180,900	172	2,710	574,502	333,225
Consulting fees	32,261	119,450	186	-	348,796	220,255
ARCH	-	341,465	-	-	341,465	392,086
Janitorial	192,932	4,965	1,871	13,756	255,877	275,927
Insurance	59,148	10,089	4,636	5,013	195,090	169,650
Office	148,411	24,726	730	8,309	193,700	184,814
GRAI support payments	-	183,285	-	-	183,285	148,498
Waste removal	131,896	5,749	953	158	168,705	146,850
Initial housing	-	-	-	130,280	130,280	365,847
Security	47,801	36,633	190	11,096	104,521	132,213
Vehicle	83,496	-	520	-	92,242	93,085
Housing loss prevention	-	-	-	77,034	77,034	225,737
Bad debts	57,540	(21)	-	-	75,502	96,517
Telephone	31,887	8,321	176	-	52,085	54,209
Professional fees	28,805	11,300	99	-	46,519	36,026
Furniture and equipment	26,905	525	153	6,589	36,588	55,679
Conference, dues and training	21,898	8,787	125	1,343	34,126	45,592
Travel, convention and board	17,086	4,802	62	10,278	33,208	23,519
Enhancements	-	19,281	-	8,222	27,503	171,687
Re-housing	-	-	-	22,646	22,646	17,321
On-going rent	-	-	-	20,069	20,069	135,645
Condo fees	-	-	17,257	-	17,257	17,257
Property taxes	-	-	-	-	11,550	169,694
Community capacity building	-	7,085	-	-	7,085	109,360
Sundry	525	197	-	-	950	1,703
Amortization	95,356	10,884	20,088	-	388,067	350,318
Winter response	-	-	-	-	-	158,192
	4,958,318	4,100,295	84,459	1,074,081	11,467,883	13,212,626
(Deficiency) excess of revenues over expenses	\$ (345)	\$ 72,794	\$ 21,433	\$ 445,710	\$ 965,626	\$ (524,821)

MEDICINE HAT COMMUNITY HOUSING SOCIETY
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended December 31, 2025

	Unrestricted	Invested in capital assets	Internally restricted	2025	2024
Balance, beginning of year	\$ 1,570,957	\$ 3,256,201	\$ 511,047	\$ 5,338,205	\$ 4,233,024
(Deficiency) excess of revenues over expenses	965,626	-	-	965,626	(524,819)
Purchase of capital assets	(1,816,343)	1,816,343	-	-	-
Contributed capital assets	-	-	-	-	1,630,000
Amortization of capital assets	388,066	(388,066)	-	-	-
Capital contributions	1,816,343	(1,816,343)	-	-	-
Amortization of deferred capital contributions	(349,306)	349,306	-	-	-
Transfer to/from reserves	(79,116)	-	79,116	-	-
Balance, ending of year	\$ 2,496,227	\$ 3,217,441	\$ 590,163	\$ 6,303,831	\$ 5,338,205

MEDICINE HAT COMMUNITY HOUSING SOCIETY
STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	2025	2024
Cash flows from operating activities		
Excess of revenues over expenses	\$ 965,626	\$ (524,819)
Adjustments for items which do not affect cash		
Amortization of capital assets	388,067	350,318
Amortization of deferred contributions	(349,306)	(303,363)
	1,004,387	(477,864)
Change in non-cash working capital items		
Accounts receivable	320,970	(394,253)
Prepaid expenses	(609)	(3,757)
Accounts payable and accrued liabilities	68,705	(285,784)
Security deposits payable	1,963	14,473
Deferred revenue	(2,185,850)	623,656
Provincial deferred capital reserve fund	(13,554)	385,998
Provincial deferred operating reserve fund	213,040	-
	(590,948)	(137,531)
Cash flows from investing activity		
Purchase of capital assets	(1,816,343)	(2,554,411)
Capital contributions received	1,816,343	2,527,993
	-	(26,418)
Decrease in cash	(590,948)	(163,949)
Cash, beginning of year	8,910,891	9,074,841
Cash, end of year	\$ 8,319,943	\$ 8,910,892

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

1. Nature of operations

Medicine Hat Community Housing Society is organized to receive gifts, bequests, trusts, funds and property beneficially or as a trustee or agent, to hold, invest, develop, manage, accumulate and administer funds and property for the purpose of distributing funds and property to qualified donees as per section 149(1)(l) of the Income Tax Act, for the purposes of meeting the housing needs of Medicine Hat, and to provide housing to low income and disabled persons in Medicine Hat. The Society is incorporated under the Alberta Society's Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Basis of presentation

These combined statements include the accounts of the provincial and municipal housing funds which are administered by the Society and the Homeless and Community Housing fund, the Transitional Housing fund, the Affordable Housing fund and the Outreach fund which are controlled by the Society.

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Fund accounting

The Society uses the deferral method of accounting for contributions and reports on a fund accounting basis. Five funds are maintained: Provincial and Municipal Housing, Homeless and Community Housing, Transitional Housing, Affordable Housing, and Outreach.

The Provincial and Municipal Housing fund operates and manages social programs aimed at providing affordable housing to low-income Albertans who are the most in need. This fund administers and operates low-income housing units owned by the Provincial government and the City of Medicine Hat.

The Homeless & Community Housing fund administers Provincial and Federal government funds for the purpose of distributing funds to qualified donees. The Society takes the lead role in coordinating initiatives in the community targeted at ending homelessness. In alignment with the Provincial 10-year plan to end homelessness in Alberta, the Society has completed the local plan 'Starting at Home in Medicine Hat – A 5-year Year Plan to End Homelessness'. This plan shifts the traditional approach of 'managing' homelessness to that of 'ending' homelessness. Recognizing that in spite of many efforts in this regard, there is the reality that there may always be people who find themselves in crisis and in need of emergency shelter assistance; the plan aims more pointedly at ending the 'trap of homelessness'. The H&CH department administers outcome based grants provided under both federal and provincial homelessness strategies. Regular financial and outcomes reporting are required to ensure that financial investments are having an impact on the reduction of homelessness in our community through evidence based programming and practices.

The Transitional Housing fund operates condos and a duplex for rental occupancy. These properties are for families in the community who are having difficulty establishing themselves in adequate and affordable housing and therefore require supports to stabilize in their housing.

The Affordable Housing fund operates a variety of affordable housing options. The purpose of the fund is to construct and operate affordable housing to low-income families.

The overall purpose of the Outreach fund is to help those in need to identify and address the issues in their lives that may be preventing them from obtaining and maintaining affordable and adequate housing, and in many cases from being self-sufficient. This program targets individualized support services to those facing homelessness, affordable housing issues as well as other related issues that impact their housing stability. Included in the spectrum of services provided by the Outreach program is the provision of supports for applicants and residents of social housing, aimed at increasing housing stability and self sufficiency. The program has been funded through several government sources, both federal and provincial, including through OSSI grants from the Homeless & Community Housing fund.

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

3. Significant accounting policies, continued

(b) Revenue recognition
The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or reasonably assured. Investment revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Rental revenue is recognized monthly based on rental agreements.

(c) Alberta Social Housing Corporation
The Affordable Housing division may receive an annual operating and capital grant from Alberta Social Housing Corporation ("ASHC"), depending on the approved budget each year. Any unspent portion of the grant, plus any actual surplus (not including amortization) for the year is adjusted to the Deferred Operating Reserve Fund. Any such amounts are recorded as a direct decrease in net assets rather than being included in revenue and expenses on the statement of operations.

(d) Cash and short-term investments
Cash and short-term investments include balances with banks and short-term investments with maturities of one year or less. Cash subject to restrictions that prevent its use for current purposes is included in funds held in trust (see note 4).

(e) Capital assets
Only assets purchased with project funds and costing \$5,000 or more are recorded in the capital asset account. These assets are then amortized at rates prescribed by the Society. In the year of acquisition, half of the amortization rate will be applied. Buildings and land owned by the City of Medicine Hat and the Alberta Government are not shown in the accounts. Buildings under construction that are not available for use at year-end are not amortized until completed.

Building	5%
Furniture and equipment	20%
Automotive	30%
Computer equipment	30%
Computer software	100%

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

(f) Contributed services
Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined, they are used in the normal course of the Society's operations and would otherwise have been purchased.

(g) Financial instruments
The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

(h) Net assets invested in capital assets
The Society has chosen to treat net assets invested in capital assets as a separate component of net assets.

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

3. Significant accounting policies, continued

- (i) Measurement uncertainty
The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

4. Cash

	2025	2024
Bank	\$ 8,057,410	\$ 8,647,137
Cash held in trust	262,533	263,754
	\$ 8,319,943	\$ 8,910,891

5. Accounts receivable

	2025	2024
GST	\$ 480,910	\$ 357,896
Vacated tenant receivable	269,227	186,356
Government of Alberta - Action Research on Chronic Homelessness Initiative	129,160	-
City of Medicine Hat - Phase 1 Deficit	107,141	111,913
Other general	44,451	6,550
Current tenant receivable	33,097	31,703
Government of Alberta - Capital Maintenance Renewal	25,920	40,920
Government of Canada - Reaching Homes	21,090	456,476
Government of Alberta - Permanent Supportive Housing	-	212,656
City of Medicine Hat - Affordable Housing reimbursement	-	25,719
Allowance for doubtful accounts	(92,029)	(90,252)
	\$ 1,018,967	\$ 1,339,937

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

6. Capital assets

	Cost	Accumulated amortization	2025 Net	2024 Net
Provincial & Municipal Housing				
Furniture and equipment	\$ 2,421	\$ (2,330)	\$ 91	\$ 114
Automotive	123,873	(123,799)	74	106
Computer equipment	58,048	(58,036)	12	18
Building	1,954,790	(144,165)	1,810,625	1,905,920
Land	1,504,533	-	1,504,533	1,504,532
	3,643,665	(328,330)	3,315,335	3,410,690
Homeless & Community Housing				
Furniture and equipment	1,005	(985)	20	25
Automotive	51,103	(25,718)	25,385	36,264
Computer equipment	2,782	(2,782)	-	1
	54,890	(29,485)	25,405	36,290
Transitional Housing				
Land	213,260	-	213,260	213,260
Buildings	997,998	(616,330)	381,668	401,755
	1,211,258	(616,330)	594,928	615,015
Affordable Housing				
Land - Northlands	652,500	-	652,500	652,500
Land - Spencer St	405,324	-	405,324	405,324
Land - Rae Crescent	130,000	-	130,000	130,000
Buildings - Lynx House	328,271	(53,886)	274,415	288,858
Buildings - Duplexes	500,000	(316,040)	183,960	193,642
Buildings - 8 plexes	2,502,878	(1,533,554)	969,324	1,020,342
Buildings - Southlands	6,623,760	(3,775,645)	2,848,115	2,998,015
Building - Rae Crescent	301,345	(18,015)	283,330	209,625
Furniture and equipment	25,500	(17,980)	7,520	9,400
Automotive	207,347	(162,319)	45,028	64,326
Leasehold improvements - Southlands	15,990	(4,476)	11,514	14,391
Assets under construction	2,188,909	-	2,188,908	458,911
	13,881,824	(5,881,915)	7,999,938	6,445,334
	\$ 18,791,637	\$ (6,856,060)	\$ 11,935,606	\$ 10,507,329

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

7. Deferred revenue

Deferred revenue represents unspent resources received in the current period that are related to the subsequent period. Changes in the deferred revenue balance are as follows:

	Balance, beginning of year	Amount received	Amount spent	Amount unspent
Provincial & Municipal Housing				
Cost Pressure Relief Funds	\$ 233,700	\$ -	\$ -	\$ 233,700
City of Medicine Hat Phase 1 Funding	15,000	-	-	15,000
	<u>248,700</u>	<u>-</u>	<u>-</u>	<u>248,700</u>
Homeless & Community Housing				
OSSI Funding	439,191	1,133,453	(1,572,644)	-
Federal Funding	97,085	1,359,944	(1,133,543)	323,486
ARCH Project	168,307	1,005,101	(1,173,408)	-
Pilot Project	203,523	62,169	(80,495)	185,197
	<u>908,106</u>	<u>3,560,667</u>	<u>(3,960,090)</u>	<u>508,683</u>
Affordable Housing				
Rae Crescent Funding	462,831	-	(95,524)	367,306
Spencer Street Funding	3,952,132	128,074	(1,873,512)	2,206,695
	<u>4,414,963</u>	<u>128,074</u>	<u>(1,969,036)</u>	<u>2,574,001</u>
Outreach				
Reaching Homes Funding	-	846,914	(792,379)	54,535
	<u>\$ 5,571,769</u>	<u>\$ 4,535,644</u>	<u>\$ (6,721,505)</u>	<u>\$ 3,385,919</u>

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

8. Unamortized deferred capital contributions

Unamortized deferred capital contributions for Provincial & Municipal Housing represents contributions received for fifteen buildings purchased from the Government of Alberta.

Unamortized deferred capital contributions for Homeless & Community Housing represents contributions received for the purchase of an automotive.

Unamortized deferred capital contributions for Transitional Housing represents contributions received for the construction of one duplex and three 8-plexes.

Unamortized deferred capital contributions for Affordable Housing represents contributions received for two duplexes, three 8-plexes, the Southlands complex, the Spencer Street project, and the Rae Crescent property.

	Provincial & Homeless & Municipal Community Transitional Affordable Housing Housing Housing Housing				2025	2024
Balance, beginning of year	\$ 1,900,178	\$ 36,264	\$ 446,878	\$ 4,867,808	\$ 7,251,128	\$ 5,026,497
Capital contributions	-	-	-	1,816,343	1,816,343	2,527,993
Amortization of deferred contributions	(95,009)	(10,879)	(20,088)	(223,330)	(349,306)	(303,363)
Balance, end of year	\$ 1,805,169	\$ 25,385	\$ 426,790	\$ 6,460,821	\$ 8,718,166	\$ 7,251,128

9. Internally restricted

The Society's board of directors has internally restricted \$35,323 (2024 - \$30,999) of the Transitional Housing funds and \$554,840 (2024 - \$480,948) of the Affordable Housing funds of unrestricted net assets to be used for future building projects. These internally restricted amounts are not available for other purposes without approval by the board of directors. During the year, the Board authorized \$79,116 (2024 - \$35,482) to be set aside in the internally restricted from unrestricted.

10. Invested in capital assets

	Provincial & Homeless & Municipal Community Transitional Affordable Housing Housing Housing Housing				2025	2024
Capital assets (note 6)	3,315,335	25,405	594,928	7,999,938	11,935,606	10,507,329
Unamortized deferred capital contributions (note 8)	(1,805,169)	(25,385)	(426,790)	(6,460,821)	(8,718,166)	(7,251,128)
	1,510,166	20	168,138	1,539,117	3,217,440	3,256,201

MEDICINE HAT COMMUNITY HOUSING SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

11. Commitments

The Society has entered into various lease agreements with estimated minimum annual payments as follows:

2026	\$	537,574
2027		542,363
2028		436,535
2029		414,836
2030		211,286

12. Economic dependence

The Medicine Hat Community Housing Society receives funding from the Provincial Government, which enables the Society to provide affordable housing to the Society's tenants. Continuing receipt of capital and deficit funding is dependent on the Society continuing to be in compliance with its respective funding agreements with the Government.

13. Financial instruments

The Society as part of its operations carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments except as otherwise disclosed.

Credit risk

The Society believes that there is minimal risk associated with the collection of these amounts. The balance of the accounts receivable is widely distributed among the remainder of the Society's large customer base. The Society performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

MEDICINE HAT COMMUNITY HOUSING SOCIETY
SCHEDULES TO THE COMBINED FINANCIAL STATEMENTS
For the year ended December 31, 2025

Schedule of Homeless and Community Housing by Funder

Schedule 1

	Provincial	Federal	PSH	Other	ARCH Federal	2025	2024
Revenue							
Grants recognized							
Provincial grants	\$ 1,572,498	\$ -	\$ -	\$ -	\$ 691,000	\$ 2,263,498	\$ 3,361,319
Federal grants	-	1,133,542	-	-	452,638	1,586,180	2,069,398
Other grants	-	-	-	11,250	-	11,250	-
Less: Inter-fund grants provided	(382,045)	(770,490)	-	-	-	(1,152,535)	(635,875)
Rental revenue	-	-	243,056	-	-	243,056	266,845
Sundry revenue	-	-	19,692	552	29,770	50,014	35,781
Amortization of deferred contributions	-	-	-	10,879	-	10,879	6,436
Donations	-	-	-	8,212	-	8,212	5,040
	1,190,453	363,052	262,748	30,893	1,173,408	3,020,554	5,108,944
Expenses							
Salaries and benefits	130,457	153,654	66,663	3,750	807,754	1,162,278	811,011
Grants provided							
Outreach	382,045	770,490	-	-	-	1,152,535	635,875
McMan Youth, Family and Community Services Association	493,493	42,750	-	-	-	536,243	2,180,992
Miywasin Society	48,000	-	-	-	-	48,000	188,513
Permanent Supportive Housing	36,000	-	-	-	-	36,000	-
Medicine Hat Library	20,323	-	-	-	-	20,323	76,815
Centralized rental support fund	5,726	-	-	-	-	5,726	12,999
Decolonization and Indigenization	-	-	-	-	-	-	36,726
Less: Inter-fund grants provided	(382,045)	(770,490)	-	-	-	(1,152,535)	(635,875)
ARCH	186,294	155,171	-	-	-	341,465	392,086
GRAI support payments	183,285	-	-	-	-	183,285	148,498
Rent	5,400	-	-	-	175,500	180,900	113,400
Consulting fees	1,200	-	-	-	118,250	119,450	133,500
Repairs and maintenance	-	-	54,394	-	5,089	59,483	498,829
Coordinated access & data development	32,367	11,477	-	7,500	-	51,344	41,668
Utilities	-	-	-	-	-	19,800	42,886
Security	-	-	30,140	-	-	49,940	52,768
Office	-	-	35,629	-	1,004	36,633	17,166
Program supplies	13,625	-	358	-	7,498	21,481	17,166
Professional fees	6,000	-	-	-	19,281	19,281	17,210
Amortization	-	-	-	-	5,300	11,300	11,300
Insurance	9,436	-	-	10,884	-	10,884	6,443
Conference, dues and training	7,410	-	-	-	653	10,089	6,165
Telephone	2,670	-	-	-	1,377	8,787	22,052
Community capacity building	7,085	-	877	-	4,774	8,321	6,291
Waste removal	-	-	5,749	-	-	7,085	109,360
Janitorial	-	-	4,202	-	-	5,749	5,300
Travel, convention and board	1,682	-	-	-	763	4,965	700
Vehicle	-	-	-	-	3,120	4,802	3,352
Furniture and equipment	-	-	-	-	3,245	3,245	-
Sundry	-	-	525	-	-	525	4,826
Bad debts	-	-	197	-	-	197	-
Winter response	-	-	(21)	-	-	(21)	750
	1,190,453	363,052	198,713	22,134	1,173,408	2,947,760	5,099,798
Excess of revenues over expenditures	\$ -	\$ -	\$ 64,035	\$ 8,759	\$ -	\$ 72,794	\$ 9,146

MEDICINE HAT COMMUNITY HOUSING SOCIETY
SCHEDULES TO THE COMBINED FINANCIAL STATEMENTS
For the year ended December 31, 2025

Schedule of Provincial and Municipal Fund

Schedule 2

	Provincial	Municipal	Rent Supplement	2025	2024
Revenue					
Rental revenue	\$ 2,306,746	\$ 76,596	-	2,383,342	2,164,213
Provincial grants	1,669,314	-	365,000	2,034,314	1,891,015
Sundry revenue	199,923	9,104	-	209,027	137,125
Utilities recovered	129,140	-	-	129,140	131,001
Other grants	-	107,141	-	107,141	168,213
Amortization of deferred contributions	95,009	-	-	95,009	48,723
	4,400,132	192,841	365,000	4,957,973	4,540,290
Expenses					
Salaries and benefits	1,601,950	60,367	283,930	1,946,247	1,797,121
Repairs and maintenance	1,057,377	43,683	-	1,101,060	848,562
Utilities	858,418	46,801	-	905,219	927,437
Janitorial	183,486	9,446	-	192,932	212,724
Office	113,877	4,065	30,469	148,411	130,284
Waste removal	117,775	14,121	-	131,896	112,552
Amortization	95,356	-	-	95,356	48,951
Vehicle	82,162	1,334	-	83,496	82,786
Insurance	44,126	5,011	-	49,137	47,477
Bad debts	55,419	2,121	10,011	67,551	59,983
Security	47,313	488	-	47,801	63,458
Consulting fees	23,480	1,025	-	24,505	24,084
Telephone	23,586	969	7,756	32,261	33,276
Rent	21,735	947	7,332	30,014	29,664
Professional fees	24,131	545	7,163	31,839	22,704
Furniture and equipment	19,658	848	4,129	24,635	28,805
Conference, dues and training	15,991	690	6,399	22,980	42,340
Travel, convention and board	14,150	342	5,217	19,709	19,293
Sundry	487	38	2,594	3,119	13,581
Property taxes	-	-	-	525	1,365
	4,400,477	192,841	365,000	4,958,318	4,540,519
Deficiency of revenues over expenditures	\$ (345)	\$ -	\$ -	\$ (345)	\$ (229)

MEDICINE HAT COMMUNITY HOUSING SOCIETY
SCHEDULES TO THE COMBINED FINANCIAL STATEMENTS
For the year ended December 31, 2025

Schedule of Affordable Housing Fund

Schedule 3

	MHCHS Owned	City of Medicine Hat	Private	2025	2024
Revenue					
Rental revenue	\$ 814,884	\$ 245,172	\$ 99,841	\$ 1,159,897	\$ 1,082,723
Amortization of deferred contributions	223,330	-	-	223,330	227,059
Provincial grants	143,514	-	-	143,514	28,298
Sundry revenue	112,117	20,791	7,936	140,844	269,072
Donations	9,179	-	-	9,179	31,742
	<u>1,303,024</u>	<u>265,963</u>	<u>107,777</u>	<u>1,676,764</u>	<u>1,638,894</u>
Expenses					
Amortization	261,739	-	-	261,739	273,780
Consulting fees	128,992	782	67,125	196,899	62,481
Repairs and maintenance	127,468	56,204	11,103	194,775	226,337
Utilities	131,869	54,625	-	186,494	178,197
Salaries and benefits	117,250	29,588	-	146,838	150,180
Insurance	94,479	21,725	-	116,204	104,984
Janitorial	21,274	10,254	10,825	42,353	55,968
Waste removal	22,070	5,758	2,121	29,949	28,285
Bad debts	13,264	3,359	1,360	17,983	28,321
Property taxes	11,550	-	-	11,550	135,367
Office	8,452	3,072	-	11,524	17,215
Security	3,675	4,096	1,030	8,801	11,271
Vehicle	5,780	2,446	-	8,226	9,564
Professional fees	2,592	1,840	1,883	6,315	1,896
Telephone	2,033	740	-	2,773	3,983
Rent	1,988	722	-	2,710	3,551
Furniture and equipment	1,772	644	-	2,416	5,071
Conference, dues and training	1,447	526	-	1,973	2,309
Travel, convention and board	718	262	-	980	1,626
Sundry	177	51	-	228	233
	<u>958,589</u>	<u>196,694</u>	<u>95,447</u>	<u>1,250,730</u>	<u>1,300,619</u>
Excess of revenues over expenditures	\$ 344,435	\$ 69,269	\$ 12,330	\$ 426,034	\$ 338,275