

Consolidated Financial Statements of

**WOOD BUFFALO HOUSING &
DEVELOPMENT CORPORATION**

Year ended December 31, 2025

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Wood Buffalo Housing & Development Corporation (the "Corporation") are the responsibility of the Corporation's management and have been prepared in compliance with legislation and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies followed by the Corporation are described in Note 2 to the consolidated financial statements. The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for the preparation of the consolidated financial statements. These systems are monitored and evaluated by the management.

The Board of Directors meet with management and the external auditors to review the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to the Board of Directors' approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Corporation. The accompanying independent auditor's report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's consolidated financial statements.

Signed by:



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Patricia Scantlebury
President and CEO

March 25, 2026

DocuSigned by:



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Janna Folsom
Director Corporate Services

March 25, 2026

Independent Auditor's Report

To the Board of Directors of Wood Buffalo Housing & Development Corporation

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations, changes in net assets, and its 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 ("Canadian GAAS"). 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 Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Organization'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 Organization'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 consolidated 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Deloitte LLP

Chartered Professional Accountants
March 26, 2026

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Financial Statements
Year ended December 31, 2025

Consolidated Financial Statements

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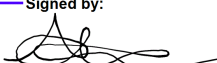
WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Financial Position
As at December 31, 2025

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,169,443	\$ 13,736,283
Portfolio investments (Note 3)	16,701,528	10,144,769
Accounts and other receivables	942,727	930,864
Prepaid expenses and deposits	845,631	956,742
	<u>26,659,329</u>	<u>25,768,658</u>
Non-current assets:		
Mortgages, notes, and other receivables (Note 4)	4,146,606	4,002,130
Property and equipment (net) (Note 5)	189,901,724	198,272,317
Restricted cash (Note 6)	16,447,147	16,241,739
	<u>\$ 237,154,806</u>	<u>\$ 244,284,844</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (Note 7)	\$ 2,280,661	\$ 3,015,855
Prepaid rent and deposits	1,841,618	1,707,237
Current portion of deferred contributions (Note 8)	2,926,633	3,134,489
Current portion of right holder agreements (Note 9)	99,200	99,200
Current portion of long-term debt (Note 10)	2,173,764	2,116,528
	<u>9,321,876</u>	<u>10,073,309</u>
Non-current liabilities:		
Asset retirement obligations (Note 11)	93,331	92,668
Rights holder agreements (Note 9)	478,400	577,600
Long-term debt (Note 10)	24,835,739	27,009,503
Unamortized external capital contributions (Note 12)	79,348,580	83,859,806
	<u>114,077,926</u>	<u>121,612,886</u>
Contractual obligations and contingencies (Note 14)		
Net assets:		
Unrestricted	24,914,609	22,855,381
Invested in property and equipment	83,993,641	85,736,478
Restricted (Note 13)	14,168,630	14,080,099
	<u>123,076,880</u>	<u>122,671,958</u>
	<u>\$ 237,154,806</u>	<u>\$ 244,284,844</u>

See accompanying notes to the consolidated financial statements.

On behalf of the Board :

Signed by: 
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Director

Signed by: 
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Director

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Operations
Year ended December 31, 2025

	Budget	2025	2024
	(Note 19)		
Revenues:			
Rental properties revenue	\$ 18,674,603	\$ 19,327,104	\$ 17,842,787
Rent supplement revenue (Note 8)	5,343,000	5,496,558	5,361,314
Amortization of external capital contributions (Note 12)	3,340,238	3,302,102	3,340,237
Operating grants, contributions, donations (Note 8)	2,228,407	2,029,926	2,310,696
Other income	1,826,460	1,889,567	2,038,900
Municipal requisitions	2,016,363	1,612,917	1,846,217
Interest income	1,596,325	1,376,877	1,868,060
Gain on sale of properties, affordable home ownership	103,431	178,565	134,028
Amortization of right holder agreements (Note 9)	99,200	99,200	99,200
Total revenues	35,228,027	35,312,816	34,841,439
Operating expenses:			
Amortization	6,400,209	6,143,148	6,346,438
Repairs and maintenance	5,899,473	6,050,488	4,675,710
Rent supplement transfers to other landlords	4,565,614	4,930,640	4,320,515
Utilities	4,808,922	4,266,670	4,466,680
Wages and benefits	4,451,667	4,039,805	4,021,677
Rental properties operating expenses	2,630,670	2,361,167	2,375,865
Insurance	1,962,303	1,808,534	2,011,405
Interest on long-term debt	660,007	654,845	710,644
Office and administrative	545,057	530,780	620,446
Property taxes	376,396	343,691	928,169
	32,300,318	31,129,768	30,477,549
General and administration expenses (income):			
Wages and benefits	2,901,177	2,814,069	2,726,925
Loss on disposal of property and equipment (Note 5)	-	1,729,524	-
Office and administrative	644,140	406,238	450,513
Insurance	37,975	37,419	38,210
Contribution Expense - Ptarmagin Court Trailers (Note 15)	-	-	1,045,666
Write down of property and equipment (Note 5)	-	-	6,678,063
Amortization	-	-	1,756
Insurance proceeds - flood	-	-	(105,765)
Contribution Income - Ptarmagin Court Trailers (Note 15)	-	-	(1,045,666)
Gain on termination of capital grant agreements (Note 12)	-	(1,209,124)	-
	3,583,292	3,778,126	9,789,702
Total expenses	35,883,610	34,907,894	40,267,251
(Deficiency) excess of revenues over expenditures	\$ (655,583)	\$ 404,922	\$ (5,425,812)

See accompanying notes to the consolidated financial statements.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Changes in Net Assets
As at December 31, 2025

2025

	Unrestricted	Invested in property and equipment	Restricted (Note 13)	Total
Balance, beginning of year	\$ 22,855,381	\$ 85,736,478	\$ 14,080,099	\$ 122,671,958
Excess of revenues over expenditures	404,922	-	-	404,922
Invested in property and equipment	1,742,837	(1,742,837)	-	-
Restricted (Note 13)	(88,531)	-	88,531	-
Balance, end of year	\$ 24,914,609	\$ 83,993,641	\$ 14,168,630	\$ 123,076,880

2024

	Unrestricted	Invested in property and equipment	Restricted (Note 13)	Total
Balance, beginning of year	\$ 20,545,267	\$ 93,352,005	\$ 14,200,498	\$ 128,097,770
Deficiency of revenues over expenditures	(5,425,812)	-	-	(5,425,812)
Invested in property and equipment	7,615,527	(7,615,527)	-	-
Restricted (Note 13)	120,399	-	(120,399)	-
Balance, end of year	\$ 22,855,381	\$ 85,736,478	\$ 14,080,099	\$ 122,671,958

See accompanying notes to the consolidated financial statements.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Cash Flows
Year ended December 31, 2025

	2025	2024
Operating:		
Excess (deficiency) of revenues over expenditures	\$ 404,922	\$ (5,425,812)
Items not involving cash:		
Gain on termination of capital grant agreements (Note 12)	(1,209,124)	-
Write down of property and equipment (Note 5)	-	6,678,063
Loss on disposal of property and equipment (Note 5)	1,729,524	-
Contribution income - Ptarmigan Court Trailers (Note 15)	-	(1,045,666)
Contribution expense - Ptarmigan Court Trailers (Note 15)	-	1,045,666
Transfer of land and buildings under development to repairs and maintenance	32,023	-
Amortization of property and equipment	6,143,148	6,348,194
Accretion - asset retirement obligation (Note 11)	663	433
Amortization of external capital contributions	(3,302,102)	(3,340,237)
Amortization of right holder agreements	(99,200)	(99,200)
Investment income	(556,759)	(467,517)
Non-cash changes in mortgages receivable (Note 2)	(178,565)	(134,028)
Change in non-cash operating working capital (Note 16)	(740,966)	242,775
	<u>2,223,564</u>	<u>3,802,671</u>
Financing:		
Deferred capital contributions	31,545	47,501
Repayment of demand loan and long-term debt	(2,116,528)	(2,060,629)
	<u>(2,084,983)</u>	<u>(2,013,128)</u>
Capital:		
Proceeds from disposal of property and equipment	1,248,979	-
Purchase of property and equipment	(783,081)	(4,987)
	<u>465,898</u>	<u>(4,987)</u>
Investing:		
Advances of mortgages, notes and other receivables	-	(11,500)
Return of principal repayments of mortgages, notes and other receivables	-	(24,957)
Repayments of mortgages, notes and other receivables (Note 2)	34,089	34,291
Purchase of portfolio investments (Note 3)	(6,000,000)	-
(Increase) decrease in restricted cash	(205,408)	159,524
	<u>(6,171,319)</u>	<u>157,358</u>
(Decrease) increase in cash and cash equivalents	(5,566,840)	1,941,914
Cash and cash equivalents, beginning of year	13,736,283	11,794,369
Cash and cash equivalents, end of year	<u>\$ 8,169,443</u>	<u>\$ 13,736,283</u>
Supplemental cash flow information:		
Interest paid	\$ 654,845	\$ 710,644
Interest received	\$ 1,376,877	\$ 1,868,060

See accompanying notes to the consolidated financial statements.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

1. Nature of Operations

Wood Buffalo Housing & Development Corporation (the "Corporation") is incorporated under the Companies Act (Alberta) as a not-for-profit Part IX corporation. The corporate structure consists of two members:

The Regional Municipality of Wood Buffalo
Chief Administrative Officer of the Regional Municipality of Wood Buffalo

The Corporation operates housing in the Regional Municipality of Wood Buffalo. As part of these activities, between 2006 and 2014, the Corporation offered equity and affordability programs to facilitate homeownership for qualifying families within the Regional Municipality of Wood Buffalo. To qualify for the programs, families met certain pre-established criteria. Employees of the Corporation could take advantage of the equity and affordability programs and were subject to similar qualification criteria as the general public. The Corporation still holds affordability loans for some of these homeowners.

In addition, the Province of Alberta appointed and authorized the Corporation to manage, administer and maintain the Rotary House Lodge, the Ayabaskaw Lodge (the "Lodge Funds"), Araubasca House and Legion Manor Seniors Housing Projects, and certain housing accommodations (the "Provincial Operations") in accordance with the requirements of the Alberta Housing Act and its regulations.

2. Significant accounting policies

The Corporation's accounting policies set out below have been applied consistently to all disclosures presented in these consolidated financial statements (the "financial statements") and reflect the following:

(a) Basis of presentation

The financial statements have been prepared by management in accordance with the PS 4200 series of the Canadian public sector accounting standards ("PSAS"). The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

The financial statements include the accounts of the Corporation and its controlled not-for-profit organization, Condominium Corporation No. 062 2570, operating as Meadow Creek Village ("MCV"). MCV is a condominium corporation registered under the Condominium

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

2. Significant accounting policies (continued)

(a) Basis of presentation (continued)

Property Act (Alberta). MCV is a not-for-profit corporation under the Income Tax Act and as such is not subject to federal or provincial income taxes. All significant intercompany balances and transactions have been eliminated.

(b) Controlled not-for-profit organizations

The Corporation consolidates controlled not-for-profit organizations.

(c) Revenue recognition

Rental properties revenue is recognized as a result of the rental of housing units and based on the relevant tenancy period as set out in lease agreements with tenants.

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred, or benefits are conferred. 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. Contributions of assets other than cash are measured at fair market value.

The Corporation acts as a Housing Management Body for the Province of Alberta for the administration of the Rent Supplement Program. Rent supplement revenue is recognized as rental assistance payments are provided to eligible individuals and families each month.

Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire property and equipment. Amounts invested representing externally funded property and equipment are then transferred to unamortized external capital contributions. Deferred contributions related to property and equipment are recognized as revenue at the same rate as the related amortization expense of the funded property and equipment.

Amounts received under rights holder agreements have been deferred and are recognized as revenue on a straight-line basis over the 25-year life of the agreements.

Contributions of property and equipment that will not be amortized are recognized as direct increases in net assets. Contributions of materials, services or other assets that would otherwise have been purchased are recorded at their fair value.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

2. Significant accounting policies (continued)

(c) Revenue recognition (continued)

Property sales are recognized as a result of the sale of homes under the Affordable Home Ownership Program. Revenue is recognized upon execution of the legal agreements and transfer of title, which constitutes the substantial transfer of risks and rewards of ownership of a unit to the purchaser.

(d) Cost allocations

The Corporation allocates general and administrative overhead expenses to programs under management, as detailed in Schedules 1 through 6, pro rata based on the number of units.

For other costs, management has used their best judgment to allocate costs to the programs to which they believe that they most properly relate.

(e) Capitalization of costs

The Corporation capitalizes all directly attributable costs relating to properties under development, including carrying costs such as property taxes, interest on debt specifically related to the project and other costs. General and administrative overhead expenses which are not directly attributable are not capitalized. The Corporation does not have any properties under development at this time.

(f) Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and investments with original maturities of three months or less.

(g) Portfolio investments

Portfolio investments consist of guaranteed investment certificates and other investments with maturities of one to two years and are recorded at amortized cost using the effective interest method.

(h) Property and equipment

Property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

2. Significant accounting policies (continued)

(h) Property and equipment (continued)

Property and equipment are amortized over their expected useful lives using the following method and rates:

Asset	Basis	Rate
Buildings	Straight-line	25 - 40 years
Equipment	Straight-line	5 – 25 years
Computer software	Straight-line	3 years
Vehicles	Straight-line	5 years
Land improvements	Straight-line	5 years
Leasehold improvements	Straight-line	Shorter of 5 years or lease term

Land is not amortized. Buildings under development are not amortized during the development period. Amortization of buildings begins when it is 90% occupied, or once three months have lapsed from the date the Occupancy Certificate was issued, whichever occurrence takes priority, but at no time later than the mortgage take out date. Once the development period is complete, the building is amortized over the expected useful life using the rates above.

Property and equipment are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services. The net write-downs are accounted for as expenses in the consolidated statement of operations.

(i) Mortgages and notes receivable

Mortgages and notes receivable are carried at amortized cost using the effective interest method. The effective interest rate is determined to be the Corporation's weighted average cost of borrowing at the time the agreement is executed. The Corporation amortizes the discount recorded on the mortgages and notes receivable each year to property sales income.

(j) Financial instruments

Financial instruments are initially measured at fair value. Financial assets are subsequently recorded at cost or amortized cost. Portfolio investments in equity instruments that are quoted in an active market are subsequently recorded at fair value. The Corporation does not currently hold portfolio investments in this category. Financial assets consist of cash and cash equivalents, accounts receivable, contributions receivable and mortgages, funds held in trust and notes receivable.

Transaction costs are recognized as part of the initial cost of financial instruments in the cost or amortized cost category. Trade-date basis of accounting is used for financial instruments.

The Corporation measures and recognizes embedded derivatives separately from the host contract when the economic characteristics and risk of the embedded derivative are not

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

2. Significant accounting policies (continued)

(j) Financial instruments (continued)

closely related to those of the host contract, when it meets the definition of a derivative and when the entire contract is not measured at fair value. Embedded derivatives are recorded at fair value. For the year ended December 31, 2025, the Corporation does not have any derivatives that were entered into or modified.

At each financial statement date, the Corporation assesses financial assets or groups of financial assets to determine whether there is any objective evidence of impairment. If any such evidence exists, the Corporation records impairments for mortgages and notes receivable by adjusting to the lower of its cost and its estimated net recoverable value.

(k) Asset retirement obligations

Best estimates of future costs are based on relevant historical information, adjusted for inflation, and discounted to net present value using an effective interest rate determined to be the Corporation's weighted average cost of borrowing at the time of recognition. Accretion expense is recorded in the statement of operations on a straight-line basis over the remaining useful life of the related asset. This increases the liability over time. The liability is adjusted for changes in estimates of future cash flows as they become known, and for any liabilities settled in the current period.

(l) Measurement uncertainty

Items material to the financial statements for which measurement uncertainty exists are as follows: rates of amortization, impairment of mortgages, impairment of notes and other receivables, impairment of long-lived assets, completeness of accrued liabilities, fair value of mortgages receivable on the date of origination, timing of revenue recognition and cost allocations. These estimates are reviewed periodically, and adjustments are made, as appropriate, in the consolidated statement of operations in the year they become known.

3. Portfolio investments

	2025	2024
Portfolio investments	\$ 16,701,528	\$ 10,144,769

During the year, the Corporation invested excess funds in GIC's and other investments with interest rates of between 2.9% and 5.1% (2024 – between 3.7% and 5.1%), maturing at various dates, the latest of which is in June 2027. In 2025, the Corporation invested \$6,000,000 (2024 – nil) of available cash during the year.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

4. Mortgages, notes, and other receivables

	2025	2024
Housing affordability loans, bearing interest at rates ranging from 0% to 6% per annum, compounded semi-annually, payable in monthly installments of interest only, repayable when the borrower sells the property, secured by vendor take back mortgages on land and buildings and market appreciation guarantees (face value - \$4,145,871 (2024 - \$3,981,684))	\$ 2,089,230	\$ 1,995,369
Home equity loans, non-interest bearing, without monthly repayment terms, with principal repayable when the borrower sells the property, secured by vendor take back mortgages on land and buildings and market appreciation guarantees (face value - \$3,431,740 (2024 - \$3,634,219))	1,782,736	1,721,417
Demand promissory notes receivable, bearing interest at 6% per annum, with total payments including principal and interest ranging from \$104 to \$226 per month, representing a 25-year amortization period, secured by land and buildings in Conklin and Janvier (face value - \$101,379 (2024- \$108,602))	82,389	85,990
Demand second mortgages receivable, non-interest bearing, with total payments and forgiveness ranging from \$70 to \$169 per month, representing a 25-year amortization period, secured by land and buildings in Conklin and Janvier (face value - \$249,090 (2024- \$257,334))	186,444	187,854
Unsecured note receivable, bearing interest at 2% per annum payable in monthly installments of principal and interest of \$226 per month, representing a two-year amortization period (face value - \$5,807 (2024- \$11,500))	5,807	11,500
	<u>\$ 4,146,606</u>	<u>\$ 4,002,130</u>

The mortgages and notes receivable, which include housing affordability and home equity loans, bear interest at stated interest rates between 0% and 6% and have a 25-year amortization period. During the year, the Corporation advanced nil (2024- \$11,500) as an unsecured note receivable with monthly payments of principal and interest at 2% per annum that has a two-year amortization period.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

4. Mortgages, notes, and other receivables (continued)

Under the various agreements, the Corporation, upon payout of the equity and affordability loans, refunds any interest paid, and effectively provides an annual subsidy to the mortgage and note holders, representing the Corporation's weighted average rate of borrowing. The Corporation discounts the loans receivable at this rate and includes income related to these discounts in the loss on sale of properties under affordable home ownership in the consolidated statement of operations to portray the activities of the home ownership programs. These agreements also provide for some equity protection, and the Corporation is required to forgive up to the amount of the loan where the property is sold at less than the original purchase price.

As part of the Conklin and Janvier mortgages and note agreements, the Corporation offers an incentive program whereby if the mortgage and note holders make 12 consecutive payments, they are entitled to receive a refund equal to 1 months' worth of payments. This benefit is recorded when earned by the mortgage and note holders.

The Corporation offers a management retention home purchase assistance plan. These loans are non-interest bearing, with principal repayments of 1% per year, and a term of ten years. As part of these agreements, the Corporation offers an incentive for the employee to stay with the Corporation by forgiving a percentage of the principal as each anniversary is achieved. Upon termination of employment, the outstanding balance of the assistance loan must be repaid by the employee within 30 days. There is no such agreement in place at this time.

During the year, the Corporation has recorded a valuation loss related to its mortgage's receivable of nil (2024 – nil). The loans being paid out are not recorded at a value that is less than their recoverable value. The Corporation will review this annually.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

5. Property and equipment

	2025		
	Cost	Accumulated amortization	Net book value
Land	\$ 43,990,130	\$ -	\$ 43,990,130
Buildings	238,624,142	93,716,317	144,907,825
Building equipment	1,401,960	1,158,386	243,574
Equipment	998,884	998,884	-
Computer software	1,453,649	1,453,649	-
Vehicles	844,313	84,118	760,195
Land improvements	243,280	243,280	-
Leasehold improvements	732,999	732,999	-
	\$ 288,289,357	\$ 98,387,633	\$ 189,901,724

	2024		
	Cost	Accumulated amortization	Net book value
Land	\$ 44,375,764	\$ -	\$ 44,375,764
Buildings	246,256,383	92,684,546	153,571,837
Building equipment	1,658,799	1,366,106	292,693
Equipment	1,004,601	1,004,601	-
Computer software	1,453,649	1,453,649	-
Vehicles	531,130	531,130	-
Land improvements	243,280	243,280	-
Leasehold improvements	732,999	732,999	-
Land and buildings under development	32,023	-	32,023
	\$ 296,288,628	\$ 98,016,311	\$ 198,272,317

During the prior year, the Corporation recorded an impairment loss on property and equipment in the amount of \$6,678,063. The Cascades building was determined to be unrentable unless significant remediation was undertaken. During the year, the Corporation sold the property to a local business that is undertaking the required remediation for proceeds of \$200,000 resulting in a gain of \$179,261.

The Corporation has recorded asset retirement obligations related to one property in accordance with PSAS (see Note 11). These obligations are the result of future requirements for asbestos abatement and total future costs were estimated at \$98,637 (2024 - \$114,032) after adjusting for inflation at 3.0% based on relevant historical information. These costs were discounted to their net present value using the Corporation's weighted average cost of borrowing of 6.5%, resulting in a non-cash addition to property and equipment in the amount of \$92,668 (2024 - \$109,663).

During the year, the Corporation reviewed the asset retirement obligation and recorded an adjustment to property and equipment in the amount of nil (2024 - \$4,874).

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

6. Restricted cash

	2025	2024
Tenant security deposits	\$ 1,035,502	\$ 1,026,848
Commercial security deposits	173,674	190,686
Externally restricted replacement reserves	3,485,373	3,632,877
Internally restricted replacement reserves	6,776,825	6,621,222
Rotary House and Ayabaskaw Lodges	2,335,380	2,215,380
Capital funds related to Parsons Creek Alberta Seniors, Community and Social Services	972,276	940,731
– rent assistance program funds	1,668,117	1,613,995
	<u>\$ 16,447,147</u>	<u>\$ 16,241,739</u>

Tenant security deposits are held in trust accounts that bear interest at the Royal Bank of Canada prime rate less 1.9% (2024 – prime less 1.9%).

Reserves related to the Rotary House and Ayabaskaw Lodges, capital funds related to Parsons Creek and Alberta Seniors, Community and Social Services rent assistance program funds are restricted pursuant to funding guidelines which outline the use of funding disbursements.

During the year, the Corporation restricted an additional \$120,000 (2024 - \$120,000) for Rotary House and Ayabaskaw Lodges and transferred nil (2024 - \$184,150) for non-recurring maintenance costs included in the consolidated statement of operations.

Under the terms of the mortgage agreements with the lenders, the Corporation deposits 4% of the gross rental income of the related properties into the restricted replacement reserves account. This amount is reserved for major capital repairs. Withdrawals require prior approval by the lenders following submission of paid invoices for approved major capital repairs.

During the year, the Corporation restricted an additional \$2,403,769 (2024 - \$624,074) for future capital reserves based on lifecycle studies completed on its properties and designated cash balances to fund this reserve. The Corporation transferred reserve funds from externally restricted to internally restricted net assets in the amount of nil (2024- \$667,925). Funds were transferred to undertake non-recurring maintenance in the amount of \$2,395,670 (2024 - \$975,560). These costs are included in the consolidated statement of operations.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

7. Accounts payable and accrued liabilities

	2025	2024
Trade accounts payable and accrued liabilities	\$ 1,560,930	\$ 2,357,286
Payroll obligations	677,647	633,037
Construction holdbacks	42,084	25,532
	\$ 2,280,661	\$ 3,015,855

8. Deferred contributions

Changes in the deferred contributions are as follows:

	2025	2024
Balance, beginning of year	\$ 3,134,489	\$ 3,334,783
Amounts received and receivable during the year	7,318,628	7,471,716
Amounts recognized as rent supplement revenue	(5,496,558)	(5,361,314)
Amounts recognized as revenue in the year	(2,029,926)	(2,310,696)
Balance, end of year	2,926,633	3,134,489
Current portion of deferred contributions	2,926,633	3,134,489
	\$ -	\$ -

Deferred contributions are comprised of the following:

	2025	2024
Deferred operating contributions:		
Province of Alberta:		
Rent Supplement Program	\$ 1,634,504	\$ 1,983,827
Fort McMurray Allowance	168,656	133,049
Alberta Seniors, Community and Social Services	134,473	59,650
Other amounts	8,168	7,810
	1,945,801	2,184,336
Deferred capital contributions:		
Alberta Affordable Housing Initiative:		
Parson's Creek	980,832	950,153
	980,832	950,153
	\$ 2,926,633	\$ 3,134,489

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

9. Rights holder agreements

The rights holders include:

Royal Canadian Mounted Police	18 units
Northern Lights Health Region	18 units
Fort McMurray School Division	18 units
Fort McMurray Roman Catholic Separate School Division	18 units
Regional Municipality of Wood Buffalo	18 units

In 2006, in exchange for contributions received by the Corporation totaling \$1,800,000 from certain entities within the Regional Municipality of Wood Buffalo (the "rights holders"), the Corporation granted rights holders the right to refer tenants for certain vacant units in a new apartment project at 101 Plamondon Drive for a 25-year period.

In 2008, in exchange for contributions received by the Corporation totaling \$640,000 from certain rights holders, the Corporation granted rights holders the right to refer tenants for certain vacant units in a new apartment project at 210 Millennium Gate for a 25-year period. The rights holders include:

Northern Lights Health Region	14 units
Greater North Central Francophone Education Regions No. 2	2 units

In 2009, in exchange for contributions received by the Corporation totaling \$40,000 from a rights holder, the Corporation granted a rights holder the right to refer tenants for certain vacant units in an apartment project at 210 Millennium Gate for a 25-year period. The rights holder is:

Greater North Central Francophone Education Regions No. 2	1 unit
-----------------------------------------------------------	--------

The Corporation has the sole right to accept or reject the proposed tenants based on the Corporation's pre-established criteria. The rights holders have first right of refusal to certain vacant units and if there is no proposed or accepted tenant, the rights holder can lease the unit for a one-year term so that the unit remains available for a future referred tenant, subject to acceptance by the Corporation's acceptance criteria. If there is no proposed or accepted tenant, and the rights holder does not exercise its option to lease the unit, then the Corporation can lease the unit to another tenant for a one-year lease.

The rights holders can assign or sell their rights under the agreements and have the right to both terminate the agreements and have the right of first refusal to renew the agreements after 25 years under new terms and conditions. If the Corporation commits an act of default under the agreements, the contributions become repayable. The agreements do not convey any interest in the project land and buildings to the rights holders and regular monthly rental payments are required under any unit rented.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

9. Rights holder agreements (continued)

	2025	2024
Rights holder agreements, beginning of year	\$ 676,800	\$ 776,000
Amortization of rights holder agreements	(99,200)	(99,200)
Rights holder agreements, end of year	577,600	676,800
Current portion of rights holder agreements	(99,200)	(99,200)
	<u>\$ 478,400</u>	<u>\$ 577,600</u>

10. Long-term debt

	2025	2024
Commercial mortgages with weighted average interest of 2.6%, principal and interest payments of \$231,340 per month, maturities from 2026 to 2030, are secured by specific land and buildings pledged as collateral (2025 net book value - \$153,252,200; 2024 net book value - \$156,246,246)	\$ 26,559,503	\$ 28,676,031
Regional Municipality of Wood Buffalo, non-interest bearing loan with repayment due in full 1 year after completion of the 30-year amortization period of the Edgewater Court mortgage, at carrying amount	450,000	450,000
	<u>27,009,503</u>	<u>29,126,031</u>
Current portion of long-term debt	(2,173,764)	(2,116,528)
	<u>\$ 24,835,739</u>	<u>\$ 27,009,503</u>

The long-term debt is also collateralized by property and equipment and a general assignment of rents, leases and sales proceeds, deposits, and all other payments on the housing projects.

The Corporation had issued letters of credit in favour of the Regional Municipality of Wood Buffalo as security for property development in the Municipality. During the year, the Corporation completed the final work required to have this security removed. The total value of the letters of credit outstanding on December 31, 2025 is nil (2024 - \$377,348). The letters of credit reduced the Corporation's amount it could otherwise borrow under its revolving demand loans.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

10. Long-term debt (continued)

Contractual principal repayments of long-term obligations over the next five years and thereafter:

Year ending December 31:	
2026	\$ 21,042,651
2027	933,923
2028	962,775
2029	248,256
2030	184,544
2031 and thereafter	3,187,354
	<u>\$ 26,559,503</u>

Principal balances maturing would either be refinanced or paid in full at the date of maturity and are included in principal payments due in the year of maturity.

11. Asset Retirement Obligations

	2025	2024
Asset retirement obligations	\$ 93,331	\$ 92,668

The Corporation has recorded an asset retirement obligation related to one property that was identified as containing asbestos materials that will require remediation in the future because of renovation or disposal of the building. Future costs are estimated at \$98,637 after adjusting for inflation at 3.0% based on relevant historical information. These costs were discounted to their net present value using the Corporation's weighted average cost of borrowing of 6.5%.

During the year, the Corporation reviewed the asset retirement obligation recorded an adjustment to the to the asset retirement obligation of nil (2024 - \$4,874) representing the discounted revalued estimate future costs.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

12. Unamortized external capital contributions

Unamortized external capital contributions represent the external funding for property and equipment additions and will be recognized as revenue in future years as the assets are amortized.

	2025	2024
Balance, beginning of year	\$ 83,859,806	\$ 87,200,043
Gain on termination of capital grant agreements	(1,209,124)	-
Amounts amortized to revenue	(3,302,102)	(3,340,237)
	<u>\$ 79,348,580</u>	<u>\$ 83,859,806</u>

During the year, the Corporation sold the property at 10095 Marshall Street to a community organization resulting in the derecognition of the remaining unamortized capital grant funding and a gain of \$1,209,124.

13. Restricted net assets

As a financing requirement, the Corporation has restricted replacement reserves (see Note 6). In addition, the Board of Directors has internally restricted amounts related to fully owned properties. The following amounts during the year are restricted for future capital needs:

	2024	Transfer (to) from unrestricted net assets	2025
Lodge Funds - capital replacement	\$ 2,215,380	\$ 120,000	\$ 2,335,380
Internally restricted – owned properties	8,231,842	116,035	8,347,877
Externally restricted capital replacement	3,632,877	(147,504)	3,485,373
	<u>\$ 14,080,099</u>	<u>\$ 88,531</u>	<u>\$ 14,168,630</u>

During the year, the Corporation transferred reserve funds from externally restricted to internally restricted net assets in the amount of nil (2024- \$667,925).

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

14. Contractual obligations and contingencies

During the year, the Corporation entered into a lease agreement for its premises for a term of five years.

Contractual payments required over the next five years:

Year ending December 31:	
2026	\$ 49,863
2027	49,863
2028	49,863
2029	49,863
2030	29,087
	<u>\$ 228,539</u>

The Corporation has a number of other contractual obligations and commitments, all of which arose in the normal course of business and do not amount to significant financial obligations.

In the ordinary course of operations, various claims and lawsuits are brought against the Corporation. While it is not possible to estimate the ultimate liability, if any, with respect to pending claims and lawsuits, the Corporation's management is satisfied that they will not result in a material adverse impact on the Corporation's consolidated statement of financial position.

15. Related party transactions

As per corporate policy, all employees, including management personnel, are encouraged to participate in the affordable homeownership programs offered by the Corporation. Should they choose to participate, employees of the Corporation are subject to similar terms and conditions of the programs as anyone else who participates in the program.

During the year, the Corporation had various transactions during the normal course of business with the Regional Municipality of Wood Buffalo. The following table summarizes those transactions:

	2025	2024
Utilities paid by the Corporation	\$ 1,157,718	\$ 1,128,772
Property taxes paid by the Corporation	333,922	933,158
Municipal requisitions received by the Corporation	1,819,842	1,881,398

During the prior year, the Corporation received a contribution of used modular homes from the Regional Municipality of Wood Buffalo. The homes were transferred to the Corporation at no cost. In turn the Corporation contributed these homes to a community partner in Conklin with the cost of

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

15. Related party transactions (continued)

transportation donated by the Regional Municipality of Wood Buffalo. Contribution revenue of \$1,045,666 was recorded in the consolidated statement of operations using the fair market value of the homes, plus the cost incurred to transport these homes to Conklin. Contribution expense of \$1,045,666 was expensed in the consolidated statement of operations, representing the Corporation's contribution of the modular homes to the community partner in Conklin.

16. Changes in non-cash operating working capital

	2025	2024
Accounts receivable	(11,863)	185,979
Prepaid expenses	111,111	14,619
Prepaid rent and deposits	134,381	107,177
Accounts payable and accrued liabilities	(735,194)	182,795
Deferred Contributions	(239,401)	(247,795)
	<u>\$ (740,966)</u>	<u>\$ 242,775</u>

17. Local authorities pension plan

The Corporation's employees participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. LAPP is funded by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due. The Corporation is required to make current service contributions to LAPP of 8.45% (2024 – 8.45%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% (2024 – 11.65%) on pensionable earnings above this amount. The Corporation's employees are required to make current service contributions of 7.45% (2024 – 7.45%) of pensionable salary up to the year's maximum pensionable salary and 10.65% (2024 – 10.65%) on pensionable salary above this amount. Total current services contributions by the Corporation to LAPP in 2025 were \$370,153 (2024 - \$373,461). Total current service contributions by the employees of the Corporation to LAPP in 2025 were \$330,318 (2024 - \$333,073).

18. Financial risks and concentration of credit risk

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, contributions receivable, mortgages, notes, and other receivables, restricted cash, demand loans, accounts payable and accrued liabilities, long-term debt and amounts due to the Regional Municipality of Wood Buffalo. The Corporation is exposed to certain financial risks, including credit risk, liquidity risk, market price risk and interest rate risk as follows below.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

18. Financial risks and concentration of credit risk (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or party to a financial instrument fails to meet its contractual obligation and arises principally from the Corporation's cash and cash equivalents, portfolio investments, accounts receivable, contributions receivable, deposits and mortgages and notes receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances recorded in these financial statements.

The Corporation manages its exposure to credit risk on cash and cash equivalents by placing these financial instruments with Canadian chartered banks along with their related investment management companies, and by holding investments that are fully guaranteed by the Credit Union Deposit Insurance Corporation.

With respect to accounts receivable and mortgages and notes receivable, the Corporation monitors the credit risk and credit rating of all customers on a regular basis. Aged receivable balances are constantly monitored and an allowance for credit losses is provided in the period in which the losses become known. Balances are considered for impairment on a case-by-case basis when they are over 90 days past due or if there is an indication that a customer will default.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due.

On a day-to-day basis, the Corporation reduces its liquidity risk by monitoring forecasted and actual cash flows to ensure it will have sufficient liquidity to meet its liabilities. All accounts payable and accrued liabilities are due within the current operating period. For contractual debt repayments see note 10 and for financial commitments see note 14.

(c) Market risk

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in the market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. All of the Corporation's investments are carried at amortized cost.

(d) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is subject to interest rate risk arising primarily from fluctuations in rates on its cash and cash equivalents, demand loans and long-term debt.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements
Year ended December 31, 2025

18. Financial risks and concentration of credit risk (continued)

The Corporation's debt is composed of fixed rate, long-term instruments and is not materially affected by short-term interest rate fluctuations. Accounts receivable, mortgages and notes receivable are also not materially affected by market interest rate fluctuations. Cash and cash equivalents of \$8,169,443 (2024 - \$13,736,283) and portfolio investments of \$16,701,528 (2024 - \$10,144,769) are affected by interest rate fluctuations. Should the interest rate increase or decrease by 0.5%, interest income would correspondingly increase or decrease by \$124,355 (2024 - \$119,406).

19. Budget and approval of financial statements

The 2025 budget was approved by the Board of Directors on November 20, 2024. Budget amounts for 2025 were prepared on an amortized cost basis.

The 2025 budget for the controlled entity was approved by its Board of Directors on December 22, 2024. Budget amounts for 2025 were prepared on an amortized cost basis.

The 2025 financial statements were approved by the Board of Directors on March 25, 2026.

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 1 - Statement of Operations by Function
Year ended December 31, 2025

	Budget (Note 19)	2025	2024
Revenues:			
General and Administration (Schedule 2)	\$ 566,400	\$ 335,918	\$ 642,759
Housing:			
Lodge Funds (Schedule 3)	3,117,375	2,860,835	3,018,690
Near Market Housing (Schedule 4)	21,878,493	22,472,365	21,670,648
Provincial Operations (Schedule 5)	7,269,228	7,426,782	7,009,081
	32,831,496	33,095,900	32,341,178
Financing and Other Activities (Schedule 6)	1,986,498	1,797,819	2,074,835
Controlled entity (Schedule 7)	410,033	419,097	425,426
	35,228,027	35,312,816	34,841,439
Expenses:			
General and Administration (Schedule 2)	566,400	357,118	642,759
Housing:			
Lodge Funds (Schedule 3)	2,984,845	2,811,197	3,117,320
Near Market Housing (Schedule 4)	23,957,860	22,685,141	21,708,016
Provincial Operations (Schedule 5)	7,264,565	7,534,847	6,916,542
	34,773,670	33,388,303	32,384,637
Financing and Other Activities (Schedule 6)	783,873	608,735	722,945
Controlled entity (Schedule 7)	326,067	390,456	587,371
	35,883,610	34,387,494	33,694,953
(Deficit) surplus before the undernoted items	(655,583)	925,322	1,146,486
Write down of property and equipment (Note 5)	-	-	6,678,063
Contribution Expense - Ptarmagin Court Trailers (Note 15)	-	-	1,045,666
Loss on disposal of property and equipment (Note 5)	-	1,729,524	-
Gain on termination of capital grant agreements (Note 12)	-	(1,209,124)	-
Insurance proceeds - flood	-	-	(105,765)
Contribution Income - Ptarmagin Court Trailers (Note 15)	-	-	(1,045,666)
(Deficiency) excess of revenues over expenditures	\$ (655,583)	\$ 404,922	\$ (5,425,812)

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 2 - General and Administration
Year ended December 31, 2025

	Budget (Note 19)	2025	2024
Revenues:			
Interest income	\$ 504,000	\$ 272,611	\$ 580,359
Operating grants and contributions	62,400	62,400	62,400
Other income	-	907	-
	<u>566,400</u>	<u>335,918</u>	<u>642,759</u>
General and Administration expenses (transfer):			
Wages and benefits - administration	2,901,177	2,814,069	2,726,925
Office and administrative	644,140	406,238	450,513
Insurance	37,975	37,419	38,210
Repairs and maintenance	-	3,190	1,757
Rental properties operating expenses	-	2,267	342
Amortization	-	-	1,756
Administrative costs transferred to other projects	(3,016,892)	(2,906,065)	(2,574,987)
	<u>566,400</u>	<u>357,118</u>	<u>644,516</u>
Deficit before the undernoted items	-	(21,200)	-
Gain on disposal of property and equipment	-	(21,200)	-
Excess of revenues over expenditures	\$ -	\$ -	\$ -

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 3 - Lodge Funds
Year ended December 31, 2025

	Budget (Note 19)	2025	2024
Revenues:			
Municipal requisitions	\$ 2,016,363	\$ 1,612,917	\$ 1,846,217
Rental properties revenue	617,916	653,708	607,342
Operating grants, contributions and donations	409,258	471,993	485,711
Other income	46,846	95,225	52,428
Amortization of external capital contributions	26,992	26,992	26,992
	<u>3,117,375</u>	<u>2,860,835</u>	<u>3,018,690</u>
Expenses:			
Wages and benefits	1,996,400	1,856,185	1,942,386
Rental properties operating expenses	319,902	308,220	277,899
Corporate allocation of administrative costs	196,174	181,916	158,674
Utilities	156,855	180,379	170,935
Repairs and maintenance	121,870	106,839	324,713
Amortization	76,371	75,793	72,412
Office and administrative	66,438	51,253	118,432
Insurance	50,835	50,612	51,869
	<u>2,984,845</u>	<u>2,811,197</u>	<u>3,117,320</u>
Surplus (deficit) before the undernoted items	132,530	49,638	(98,630)
Gain on disposal of property and equipment	-	(12,600)	-
Excess (deficiency) of revenues over expenditures	<u>\$ 132,530</u>	<u>\$ 62,238</u>	<u>\$ (98,630)</u>

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 4 - Near Market Housing
Year ended December 31, 2025

	Budget (Note 19)	2025	2024
Revenues:			
Rental properties revenue	\$ 16,974,783	\$ 17,618,200	\$ 16,191,923
Amortization of external capital contributions	3,127,413	3,127,413	3,172,734
Other income	899,711	1,025,728	1,108,338
Rent supplement revenue	777,386	565,918	1,040,799
Amortization of rights holder agreements	99,200	99,200	99,200
Interest income	-	34,392	55,069
Operating grants contributions and donations (Note 17)	-	1,514	2,585
	<u>21,878,493</u>	<u>22,472,365</u>	<u>21,670,648</u>
Expenses:			
Amortization	5,922,280	5,707,897	5,872,468
Repairs and maintenance	5,416,451	5,519,605	3,616,287
Utilities	4,194,427	3,596,556	3,818,594
Corporate allocation of administrative costs	2,026,949	2,050,769	1,821,727
Rental properties operating expenses	2,008,650	1,754,563	1,783,062
Insurance	1,761,154	1,649,505	1,810,163
Wages and benefits	1,321,723	1,179,447	1,129,252
Interest on long-term debt	660,007	654,845	710,644
Property taxes	332,972	308,626	886,484
Office and administrative	313,247	263,328	259,335
	<u>23,957,860</u>	<u>22,685,141</u>	<u>21,708,016</u>
Deficit before the undernoted	(2,079,367)	(212,776)	(37,368)
Write down of property and equipment (Note 5)	-	-	6,678,063
Loss on disposal of property and equipment	-	338,910	-
Deficiency of revenues over expenditures	<u>\$ (2,079,367)</u>	<u>\$ (551,686)</u>	<u>\$ (6,715,431)</u>

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 5 - Provincial Operations
Year ended December 31, 2025

	Budget (Note 19)	2025	2024
Revenues:			
Rent supplement revenue	\$ 4,565,614	\$ 4,930,640	\$ 4,320,515
Operating grants, contributions and donations	1,756,749	1,494,019	1,760,000
Rental properties revenue	564,084	596,859	578,821
Other income	382,781	405,264	349,745
	<u>7,269,228</u>	<u>7,426,782</u>	<u>7,009,081</u>
Expenses:			
Rent supplement transfers to other landlords	4,565,614	4,930,640	4,320,515
Wages and benefits	1,133,544	994,810	950,039
Corporate allocation of administrative costs	477,860	443,130	386,514
Utilities	354,848	373,829	374,116
Repairs and maintenance	271,552	256,289	373,228
Rental properties operating expenses	243,698	249,508	252,693
Office and administrative	109,689	153,444	151,733
Amortization	85,217	121,546	85,217
Insurance	15,175	11,651	15,395
Property taxes	7,368	-	7,092
	<u>7,264,565</u>	<u>7,534,847</u>	<u>6,916,542</u>
Surplus (deficit) before the undernoted	4,663	(108,065)	92,539
Insurance proceeds - flood	-	-	(15,310)
Excess (deficiency) of revenues over expenditures	\$ 4,663	\$ (108,065)	\$ 107,849

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 6 - Financing and Other Activities
Year ended December 31, 2025

	Budget (Note 19)	2025	2024
Revenues:			
Interest income	\$ 1,017,325	\$ 1,003,266	\$ 1,145,277
Rental properties revenue	489,820	433,512	442,133
Gain on sale of properties, affordable home ownership	103,431	178,565	134,028
Amortization of external capital contributions	185,833	147,697	140,511
Other income	190,089	34,779	212,886
	<u>1,986,498</u>	<u>1,797,819</u>	<u>2,074,835</u>
Expenses:			
Corporate allocation of administrative costs	315,909	230,250	208,072
Amortization	283,728	205,299	283,728
Utilities	50,701	37,602	54,109
Insurance	64,139	36,893	65,153
Property taxes	35,976	35,065	34,593
Repairs and maintenance	8,500	26,543	4,345
Rental properties operating expenses	24,920	18,544	33,358
Wages and benefits	-	9,363	33,359
Office and administrative	-	9,176	39,587
	<u>783,873</u>	<u>608,735</u>	<u>756,304</u>
Surplus before the undernoted	1,202,625	1,189,084	1,318,531
Loss on disposition of assets	-	1,424,414	-
Contribution Expense - Ptarmagin Court Trailers (Note 15)	-	-	1,045,666
Insurance proceeds - flood	-	-	(90,455)
Contribution Income - Ptarmagin Court Trailers (Note 15)	-	-	(1,045,666)
Gain on termination of capital grant agreements	-	(1,209,124)	-
Excess of revenues over expenditures	<u>\$ 1,202,625</u>	<u>\$ 973,794</u>	<u>\$ 1,408,986</u>

WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 7 - Controlled Entity, Condominium Corporation No. 062 2570
Year ended December 31, 2025

	Budget (Note 19)	2025	2024
Revenues:			
Other income	\$ 307,033	\$ 327,664	\$ 315,503
Interest income	75,000	66,608	87,355
Rental properties revenue	28,000	24,825	22,568
	410,033	419,097	425,426
Expenses:			
Repairs and maintenance	81,100	138,022	357,137
Utilities	52,091	78,304	48,926
Insurance	71,000	59,873	68,825
Office and administrative	55,683	53,579	51,359
Amortization	32,613	32,613	32,613
Rental properties operating expenses	33,500	28,065	28,511
Property taxes	80	-	-
	326,067	390,456	587,371
Excess (deficiency) of revenues over expenditures	\$ 83,966	\$ 28,641	\$ (161,945)