

March 7, 2018

Richard Walisser
North Peace Housing Foundation
9910 – 102 Street
Peace River, AB T8S 1S7

Dear Richard:

Re: Audit of 2017 Financial Statements

During the course of our audit of the financial statements for the year ended December 31, 2017, we identified some matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose all material fraud, or errors and other irregularities, and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

As a result of our observations, we have outlined below some deficiencies in internal controls and some other suggestions for your consideration. This report is not exhaustive, and deals with the more important matters that came to our attention during the audit. Minor matters were discussed verbally with your staff.

1) INCOME VERIFICATION FORMS

Lodge & Affordable Housing Tenant Files

In a sample of 24 tenant files examined, we noted the following:

- a) In one instance the annual rent calculation form was on file but not signed by the manager or by the tenant;

Housing Files

In a sample of 28 tenant files examined, the following was noted:

- a) In three instances, there was no current income verification form on file, nor was the statutory declaration signed by both the tenant and a commission of oaths;
- b) In two instances, there was a current income verification form on file, however it was not signed by either the tenant or the commission of oaths.

2) GENERAL LEDGER AND SUBLEDGER MAINTENANCE

We recommend that all sub-ledger accounts be reviewed on a regular basis for variances, reconciled to the general ledger and that balances are adjusted as discrepancies are identified.

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3) **GENERAL LEDGER JOURNAL ENTRIES**

During the course of the audit we reviewed the preparation, documentation and approval process for adjustments to the general ledger (GL-JE). To protect the integrity of the general ledger, all general journal entries should be reviewed and approved by the appropriate personnel prior to posting. All adjustments should be supported by documentation and signed by the person preparing and also signed by a second individual who reviews and approves the journal entry prior to the entry being posted. All general ledger adjustments should be maintained in a file folder for easy review if necessary.

4) **TENANT SECURITY DEPOSITS**

We noted that as at the year end, the housing security deposit bank balance exceeded the liability listings for the housing accounts by a total of \$791.40. We recommend that these accounts be monitored throughout the year and the necessary transfers be made to ensure that the appropriate funds are set aside in the security deposit bank accounts.

5) **DISBURSEMENT AND PAYROLL TESTING**

In both the testing of disbursements and payroll we noted no discrepancies and all transactions were properly documented, authorized and recorded during the year.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to any third party who uses this communication.

We would like to thank you, Richard, and all the staff for the assistance and cooperation we received during the audit. We truly appreciate all of your help during our time at your office.

Yours truly,

MNP LLP

Per: 

Tanya Edmunds, CPA, CA

NORTH PEACE HOUSING FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2017

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Independent Auditors' Report

To the Board of Directors of:
North Peace Housing Foundation

We have audited the accompanying financial statements of North Peace Housing Foundation, which comprise the statement of financial position as at December 31, 2017 and the statement of changes in net assets, statement of changes in restricted operating reserve fund, and statements of operations and cash flows for the year ended December 31, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North Peace Housing Foundation as at December 31, 2017 and the results of its operations and its cash flows for the year ended December 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

We draw attention to the Supplementary Financial Information included which is comprised of the Statement of Operations of Individual Projects which have not been subject to audit procedures and accordingly, we express no opinion thereon.

Grande Prairie, Alberta

March 7, 2018

MNP LLP
Chartered Accountants

MNP
LLP

CERTIFICATION BY THE MANAGEMENT BODY

To the best of my knowledge and belief, the statements and schedules included in this report are true and correct, as at DECEMBER 31, 2017 of the management body legally known as:

NORTH PEACE HOUSING FOUNDATION

To the best of my knowledge and belief, all assets and liabilities of the management body are fairly stated in the Statement of Financial Position included herein.

To the best of my knowledge and belief, tenant incomes have been verified and rentals charged are in accordance with the established incomes and the applicable rent-to-income scale.

In addition, I certify that the above named management body is legally incorporated under the Alberta Housing Act and is in good standing at this date.

DATE: Mar 9, 2018

CHAIRMAN OF THE BOARD OF DIRECTORS: Samuel East

PEACE RIVER, ALBERTA

MANAGEMENT BODY: NORTH PEACE HOUSING FOUNDATION

NORTH PEACE HOUSING FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2017

ASSETS

	2017			2016		
	TOTAL	LODGE	HOUSING	TOTAL	LODGE	HOUSING
CURRENT						
Cash	116,881.13	-	116,881.13	274,430.35	-	274,430.35
Security deposit trust account	140,269.62	53,543.49	86,726.13	132,262.63	56,595.06	75,667.57
Lodge social club account	2,305.66	2,305.66	-	2,282.33	2,282.33	-
Restricted cash	102,400.00	-	102,400.00	102,400.00	-	102,400.00
Accounts receivable (Note 3)	600,626.95	547,504.46	53,122.49	685,401.09	628,540.66	56,860.43
Other current assets	124,720.47	122,220.47	2,500.00	95,957.56	85,340.82	10,616.74
	1,087,203.83	725,574.08	361,629.75	1,292,733.96	772,758.87	519,975.09
CAPITAL ASSETS (Schedule I)	18,952,335.62	18,952,334.62	1.00	16,493,510.02	16,493,509.02	1.00
	20,039,539.45	19,677,908.70	361,630.75	17,786,243.98	17,266,267.89	519,976.09
LIABILITIES						
CURRENT						
Bank overdraft (Note 4)	294,383.53	294,383.53	-	9,667.21	9,667.21	-
Accounts payable/accrued liabilities (Note 5)	901,385.62	634,831.34	266,554.28	725,142.74	414,014.05	311,128.69
Wages payable (Note 6)	293,330.14	293,330.14	-	278,200.16	278,200.16	-
Accrued payroll liability	374,296.65	374,296.65	-	348,602.40	348,602.40	-
Due to Alberta Social Housing Corporation	-	-	-	16,563.86	-	16,563.86
Tenant security deposits payable	141,424.22	56,376.88	85,047.34	128,872.66	56,097.88	72,774.78
Lodge social club trust	2,305.66	2,305.66	-	2,282.33	2,282.33	-
Unearned revenue (Note 7)	52,672.94	32,387.70	20,285.24	120,004.76	102,897.00	17,107.76
Grant supplement cash advance	35,000.00	-	35,000.00	35,000.00	-	35,000.00
Restricted operating reserve fund (Note 10)	67,400.00	-	67,400.00	67,400.00	-	67,400.00
Current portion of long-term debt (Note 9)	202,500.00	202,500.00	-	197,500.00	197,500.00	-
	2,364,698.76	1,890,411.90	474,286.86	1,929,236.12	1,409,261.03	519,975.09
LONG-TERM LIABILITY						
Deferred contributions related to capital assets (Note 8)	7,781,987.61	7,781,987.61	-	6,159,879.29	6,159,879.29	-
Long-term debt (Note 9)	3,884,448.24	3,884,448.24	-	3,804,245.02	3,804,245.02	-
	11,666,435.85	11,666,435.85	-	9,964,124.31	9,964,124.31	-
TOTAL LIABILITIES	14,031,134.61	13,556,847.75	474,286.86	11,893,360.43	11,373,385.34	519,975.09
SURPLUS, EQUITY AND RESERVES						
Unappropriated surplus (deficit)	(1,289,725.98)	(1,177,068.87)	(112,657.11)	(653,730.54)	(653,730.54)	-
Capital reserve - Lodges (Note 12)	214,728.71	214,728.71	-	214,728.71	214,728.71	-
Capital surplus	7,083,402.11	7,083,401.11	1.00	6,331,885.38	6,331,884.38	1.00
	6,008,404.84	6,121,060.95	(112,656.11)	5,892,883.55	5,892,882.55	1.00
	20,039,539.45	19,677,908.70	361,630.75	17,786,243.98	17,266,267.89	519,976.09

**STATEMENT OF CHANGES IN NET ASSETS
LODGE OPERATIONS
AS AT DECEMBER 31, 2017**

	Accumulated Surplus (Deficit)	Capital Reserve	Capital Surplus
Balance at beginning of year	(653,730.54)	214,728.71	6,331,884.38
Current year net excess (shortfall) of revenue over expenses	228,178.40	-	-
Adjustments:			
Acquisition of capital assets	(3,844,217.11)	-	3,844,217.11
Disposal of capital assets	284,401.76		(284,401.76)
Capital grant & donation funding received	2,056,762.27		(2,056,762.27)
Long-term debt advances	2,500,226.56	-	(2,500,226.56)
Sub-total	571,621.34	214,728.71	5,334,710.90
Amortization of capital assets	1,100,989.75	-	(1,100,989.75)
Amortization of capital grants	(418,851.85)	-	418,851.85
Amortization of capital donations	(15,801.77)		15,801.77
Long-term debt repayments	(2,415,026.34)	-	2,415,026.34
Balance at end of year	(1,177,068.87)	214,728.71	7,083,401.11

**STATEMENT OF CHANGES IN NET ASSETS
LODGE OPERATIONS
AS AT DECEMBER 31, 2016**

	Accumulated Surplus (Deficit)	Capital Reserve	Capital Surplus
Balance at beginning of year	(604,370.78)	214,728.71	6,358,633.85
Current year net excess (shortfall) of revenue over expenses	(76,109.23)	-	-
Adjustments:			
Acquisition of capital assets	(2,070,728.18)	-	2,070,728.18
Disposal of capital assets	8,896.35		(8,896.35)
Capital donation funding received	495,519.77		(495,519.77)
Long-term debt advances	2,475,860.48	-	(2,475,860.48)
Sub-total	229,068.41	214,728.71	5,449,085.43
Amortization of capital assets	1,118,391.99	-	(1,118,391.99)
Amortization of capital grants	(418,852.18)	-	418,852.18
Amortization of capital donations	(12,888.30)		12,888.30
Long-term debt repayments	(1,569,450.46)	-	1,569,450.46
Balance at end of year	(653,730.54)	214,728.71	6,331,884.38

**STATEMENT OF CHANGES IN NET ASSETS
HOUSING OPERATIONS
AS AT DECEMBER 31, 2017**

	Accumulated Surplus (Deficit)	Donated Capital	Capital Surplus
Beginning at beginning of year	\$ 0.00	\$ -	\$ 1.00
Adjustments per Alberta Seniors - Housing division 2016 excess funding transferred to 2017	16,563.86	-	-
Sub-total	16,563.86	-	-
Current year net excess (deficiency) of revenue over expenses	(129,220.97)	-	-
Sub-total	(112,657.11)	-	1.00
Adjustments:			
Acquisition of capital assets	-	-	-
Amortization	-	-	-
Balance at end of year	\$ (112,657.11)	\$ -	\$ 1.00

**STATEMENT OF CHANGES IN NET ASSETS
HOUSING OPERATIONS
AS AT DECEMBER 31, 2016**

	Accumulated Surplus (Deficit)	Donated Capital	Capital Surplus
Beginning at beginning of year	\$ (138,604.33)	\$ -	\$ 1.00
Adjustments per Alberta Seniors - Housing division 2015 deficit funding received	- 134,459.15	-	-
Sub-total	(4,145.18)	-	-
Current year net excess (deficiency) of revenue over expenses	4,145.18	-	-
Sub-total	0.00	-	1.00
Adjustments:			
Acquisition of capital assets	-	-	-
Amortization	-	-	-
Balance at end of year	\$ 0.00	\$ -	\$ 1.00

STATEMENT OF CHANGES IN RESTRICTED OPERATING RESERVE FUND
December 31, 2017

MANAGEMENT BODY: NORTH PEACE HOUSING FOUNDATION

	Restricted Operating Reserve Fund - 085
Balance at beginning of year	67,400.00
Adjustment per Alberta Seniors - Housing division	-
Sub-total	67,400.00
Add: Reserve Grant / Funding Received	-
Sub-Total	67,400.00
Less: Amounts repaid to the Department during year	-
Balance at end of year	67,400.00

**NORTH PEACE HOUSING FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDING DECEMBER 31, 2017**

		2017	2017	2017	2016
		Lodge and Affordable	Housing	Total	Total
REVENUE					
400000	Rent	4,178,028.15	1,526,727.04	5,704,755.19	5,680,807.06
410000	Resident Services	232,436.28	280,788.41	513,224.69	559,068.81
420000	Non-Resident Services	104,826.48	-	104,826.48	106,517.20
Grants					
430010	ASHC - Shared Costs - Operating Grant	-	498,880.00	498,880.00	496,630.00
430020	ASHC - Maintenance	-	-	-	-
430030	ASHC - Interest Subsidy	-	-	-	-
430040	ASHC - Grants for Rest	36,150.69	22,183.44	58,334.13	-
430050	ASHC - LAP grant	901,107.00	-	901,107.00	1,007,724.00
430060	ASHC - Rent Supplement Grants received	-	15,190.00	15,190.00	9,780.00
430110	Provincial - Homeless Grants	-	-	-	-
430120	Provincial - Other Grants	10,024.00	-	10,024.00	96,818.50
432000	Municipal	35,984.06	-	35,984.06	-
431000	Federal	-	-	-	4,032.00
433000	Other	-	-	-	-
Operational Funding					
460010	Municipal Requisition (Note 11)	2,520,000.00	-	2,520,000.00	2,400,000.00
450010	Provincial	-	-	-	-
450030	Other - Gain on disposal of capital assets	15,670.40	-	15,670.40	15,434.71
470000	Management and Administration	26,927.10	-	26,927.10	39,596.28
475000	Investment Income	10,382.89	-	10,382.89	6,468.27
480000	Charitable Donations	16,118.70	-	16,118.70	13,733.30
Total Revenue		8,087,655.75	2,343,768.89	10,431,424.64	10,436,610.13
EXPENSES					
550000	Human Resources	4,759,344.47	932,402.48	5,691,746.95	5,821,993.29
520000	Food	696,024.44	-	696,024.44	740,841.29
520010-52013	Operating	265,394.87	71,857.35	337,252.22	351,744.31
530000	Operating Maintenance	373,590.14	506,482.80	880,072.94	921,704.41
510000	Utilities	677,862.09	810,234.11	1,488,096.20	1,392,860.26
500000	Taxes and Land Leases	84,569.48	-	84,569.48	68,591.06
560000	Administration	216,648.30	152,013.12	368,661.42	391,581.64
580000	Health	644.91	-	644.91	2,551.98
540000	Charitable Costs	-	-	-	-
Total Expenses		7,074,078.70	2,472,989.86	9,547,068.56	9,691,868.24
Net Excess (Deficiency) of Revenue over Expenses from operations		1,013,577.05	(129,220.97)	884,356.08	744,741.89
OTHER EXPENSES					
590000	Interest costs	103,465.09	-	103,465.09	100,602.27
591000	Other	-	-	-	-
592000	Amortization	681,933.56	-	681,933.56	699,539.81
650000	Cash Held for Reserves	-	-	-	-
	Excess Operating Grant to be repaid	-	-	-	16,563.86
Net Excess (Deficiency) of Revenue over Expenses		228,178.40	(129,220.97)	98,957.43	(71,964.05)

Statement of Cash Flows

For the Year Ended December 31, 2017

Management Body: NORTH PEACE HOUSING FOUNDATION

	2017	2016
Cash from Operating Activities	\$	\$
Excess of revenue over expenses	98,957.43	(71,964.05)
Add: Amortization of capital assets	1,100,989.75	1,118,391.99
Less: Amortization of capital grants	(418,851.85)	(418,852.18)
Less: Amortization of capital donations	(15,801.77)	(12,888.30)
Less: Loss (gain) on disposal of capital assets	(15,670.40)	3,896.35
Net Change in non-cash working capital		
Decrease (increase) in receivables	84,774.14	(72,462.99)
Decrease (increase) in other assets	(28,762.91)	(10,696.40)
Increase (decrease) in liabilities	154,305.86	40,833.04
Net cash generated through operating activities	959,940.25	576,257.46
Financing and Investing Activities		
Purchase of capital assets	(3,844,217.11)	(2,070,728.11)
Proceeds on disposal of capital assets	300,072.16	5,000.00
Operating grant received (repaid)	-	134,459.15
Advances of short-term debt	-	-
Repayments on short-term debt	-	-
Advances of long-term debt	2,500,226.56	2,475,860.48
Repayments on long-term debt	(2,415,026.34)	(1,569,450.46)
Capital donations received	1,956,762.27	495,519.77
Capital grant received	100,000.00	-
Net cash generated (used) in financing and investing activities	(1,402,182.46)	(529,339.24)
Net increase (decrease) in cash	(442,242.21)	46,918.22
Cash, beginning of the year	369,445.47	322,527.25
Cash (deficiency), end of year	(72,796.74)	369,445.47
Cash (deficiency) represented by:		
Cash	116,881.13	274,430.35
Bank overdraft	(294,383.53)	(9,667.21)
Lodge Social Club Account	2,305.66	2,282.33
Restricted cash	102,400.00	102,400.00
	(72,796.74)	369,445.47

NORTH PEACE HOUSING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

1 PURPOSE OF THE ORGANIZATION

North Peace Housing Foundation ("Foundation") is a non-profit organization that provides publicly funded housing and support services to senior citizens, families and individuals. It operates and manages social programs aimed at providing affordable housing to low-income Albertans who are the most in need. The Foundation is established as a management body by provincial ministerial order and is governed by the Alberta Housing Act and its regulations. It qualifies as a non-profit organization as defined in the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Basis of accounting and revenue recognition

These statements are prepared on an accrual basis whereby all revenue and expenditures are recorded in the period in which they pertain. The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned. Restricted contributions (reserve grants) and restricted investment income are recognized as revenue in the year in which the related expenses are incurred.

b) Cash and cash equivalents

Cash and cash equivalents includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

c) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business. Inventory is grouped with other assets on the statement of financial position.

d) Capital assets

The Foundation records capital assets as follows:

i) Housing

Only assets purchased with project funds and costing \$5,000 or more are recorded in the capital asset accounts. These assets are then amortized at rates prescribed by the Foundation. Buildings and land owned by the Alberta Government are not shown in the accounts.

ii) Lodge

Capital assets purchased by the Foundation are recorded at cost. Amortization is provided on the straight-line basis over the assets' estimated useful lives. Amortization rates are as follows:

Buildings and leasehold improvements	5%
Equipment and furnishings	20%
Automotive equipment	10%

Capital assets purchased during the year but not placed into use during this time are not amortized in the year of acquisition.

e) Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase and/or upgrade the Foundation's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

f) Bad debts

Bad debts are only written off if carried on the books for at least one year and determined to be uncollectible.

g) Prior period adjustments

Prior period adjustments have been reflected in the current year Statement of Operations for Housing operations as required by Alberta Seniors for cost sharing purposes. Prior period adjustments which affect Lodge operations are reflected in an adjustment to opening accumulated surplus.

NORTH PEACE HOUSING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Handbook 3840 *Related Party Transactions*.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Foundation's performance or value of its equity and those instruments designated as fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

i) Financial asset impairment

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when there are numerous assets affected by the same factors and/or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (shortfall) in the year the reversal occurs.

j) Allocation of expenses

The Foundation engages in operating and managing social programs aimed at providing affordable housing to low-income Albertans. The cost of each project include property taxes, utilities, operating expenses and maintenance expenses that are directly related to each project. The Foundation also incurs a number of general support expenses that are common to the administration of the Foundation and each of its projects.

The Foundation allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expenses, and applies that consistently each year. General administration expenses are allocated to the projects proportionately based on the number of units in the portfolio.

k) Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

l) Long-lived assets and discontinued operations

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Foundation determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

NORTH PEACE HOUSING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Measurement uncertainty (use of estimates)

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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization of capital assets is based on the estimated useful lives of capital assets. Amortization of deferred capital grants are based on the estimated useful lives of the assets to which they relate.

These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the excess (deficiency) in the years in which they become known.

3 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	<u>2017</u>			<u>2016</u>
	<u>Lodge</u>	<u>Housing</u>	<u>TOTAL</u>	<u>TOTAL</u>
General accounts receivable	445,254	35,155	480,409	518,141
Receivable from tenants	7,610	16,915	24,526	76,534
GST receivable	97,961	33,836	131,798	138,888
	550,825	85,907	636,732	733,563
Less: allowance for doubtful accounts	(3,322)	(32,783)	(36,105)	(48,162)
	<u>547,504</u>	<u>53,123</u>	<u>600,627</u>	<u>685,401</u>

4 BANK OVERDRAFT

Bank overdraft consists of outstanding cheques issued at year end in excess of funds on deposit.

5 ACCOUNTS PAYABLE/ACCRUED LIABILITIES

Accounts payable/accrued liabilities consist of the following:

	<u>2017</u>			<u>2016</u>
	<u>Lodge</u>	<u>Housing</u>	<u>TOTAL</u>	<u>TOTAL</u>
Trade payables	604,382	266,554	870,936	697,143
Audit accrual	30,450	-	30,450	28,000
	<u>634,832</u>	<u>266,554</u>	<u>901,386</u>	<u>725,143</u>

6 WAGES PAYABLE

Wages payable consists of the following:

	<u>2017</u>			<u>2016</u>
	<u>Lodge</u>	<u>Housing</u>	<u>TOTAL</u>	<u>TOTAL</u>
Accrued wages	137,891	-	137,891	159,329
Payroll deductions payable	109,667	-	109,667	69,277
WCB payable	1,857	-	1,857	6,269
RRSP payable	43,916	-	43,916	43,326
	<u>293,330</u>	<u>-</u>	<u>293,330</u>	<u>278,201</u>

7 UNEARNED REVENUE

Unearned revenue consists of the following:

	<u>2017</u>			<u>2016</u>
	<u>Lodge</u>	<u>Housing</u>	<u>TOTAL</u>	<u>TOTAL</u>
Lodge renewal grant				
Balance beginning of year	-	-	-	-
Funding received during year	-	-	-	96,819
Funding expended during year	-	-	-	(96,819)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ASHC CO monitors grant				
Balance beginning of year	-	-	-	-
Funding received during year	49,575	-	49,575	-
Funding expended during year	(24,871)	-	(24,871)	-
	<u>24,704</u>	<u>-</u>	<u>24,704</u>	<u>-</u>
Prepaid rent - tenants	7,684	20,285	27,969	28,779
Prepaid municipal requisitions	-	-	-	91,226
	<u>32,388</u>	<u>20,285</u>	<u>52,673</u>	<u>120,005</u>

NORTH PEACE HOUSING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

8 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<u>2017</u>		<u>2016</u>	
	<u>Grant</u>	<u>Accumulated Amortization</u>	<u>Net Grant</u>	<u>Net Grant</u>
Grants received to assist in funding the construction of Harvest Lodge are being amortized on the straight-line basis at a rate of 5% which is the rate at which the corresponding asset is being amortized.	2,768,425	2,180,135	588,290	726,712
Grant received to assist in the planning costs for the upgrade of Del Air Lodge. The project is in the preliminary stage, therefore no amortization is being taken.	100,000	-	100,000	-
Grant received to assist in funding the construction of affordable housing units in Peace River are being amortized on the straight-line basis at a rate of 5% which is the rate at which the corresponding assets are being amortized.	5,808,613	1,121,724	4,486,889	4,767,320
	<u>8,477,038</u>	<u>3,301,858</u>	<u>5,175,180</u>	<u>5,494,032</u>
Donations received to assist in funding the construction of a garage at Homesteader Lodge is amortized on the straight-line basis at a rate of 5% which is the rate at which the corresponding asset is being amortized.	53,615	16,085	37,530	40,211
Donations received to assist in funding the acquisition of a Handi-Van for Harvest Lodge is amortized on the straight-line basis at a rate of 10% which is the rate at which the corresponding asset is being amortized.	74,774	37,387	37,387	44,864
Donations received to assist in funding the acquisition of a Handi-Van for Del Air Lodge is amortized on the straight-line basis at a rate of 10% which is the rate at which the corresponding asset is being amortized.	49,945	2,913	47,032	-
Donations received to assist in funding the acquisition of a Handi-Van for Harvest Lodge is amortized on the straight-line basis at a rate of 10% which is the rate at which the corresponding asset is being amortized.	27,301	8,190	19,111	21,841
Donations received to assist in funding the construction of Rotary House; amortization will commence on completion of the project.	2,465,748	-	2,465,748	558,931
	<u>2,671,383</u>	<u>84,575</u>	<u>2,606,808</u>	<u>665,847</u>
	<u>11,148,421</u>	<u>3,366,434</u>	<u>7,781,987</u>	<u>6,159,879</u>

9 LONG-TERM DEBT

	<u>2017</u>	<u>2016</u>
Note payable to Northern Sunrise County, repaid during the year	-	113,874
Promissory note payable to County of Northern Lights bearing interest at prime per annum (2016 - prime per annum), payable in quarterly instalments of \$15,877.89 (2016 - \$15,466.29), due October 2028.	576,149	621,432
Promissory note payable to MD of Peace No. 135 bearing interest at prime per annum (2016 - prime per annum), payable in quarterly instalments of \$8,333.33 plus interest, due December 2028.	358,333	391,667
Promissory note payable to County of Northern Lights bearing interest at prime per annum (2016 - prime per annum), payable in quarterly instalments of \$9,303.39 (2016 - \$9,159.10), due December 2030.	400,872	426,186
Open term line of credit payable to ATB Financial to a maximum of \$3,500,000, bearing interest at prime, with no specific repayment terms set until completion of construction. Secured by a general security agreement providing an interest over all present and after acquired property, a land mortgage in the principal sum of \$3,500,000 constituting a first fixed charge on the lands located at the Westhill project, and a general assignment of leases and rents in respect of the lands located at the Westhill project.	2,751,594	2,448,586
	<u>4,086,948</u>	<u>4,001,745</u>
Less: Current portion	<u>(202,500)</u>	<u>(197,500)</u>
	<u>3,884,448</u>	<u>3,804,245</u>

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2018	202,500
2019	207,500
2020	212,000
2021	218,000
2022	225,000

The open term line of credit payable to ATB Financial is subject to a financial covenant with respect to maintaining a debt service coverage ratio of not less than 1.25:1. As at December 31, 2017, the Foundation is in compliance with the covenant.

NORTH PEACE HOUSING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

10 RESTRICTED OPERATING RESERVE FUND

Funds held in reserve for future operating expenses related to cash flow, emergency items, approved fund expenditure or as instructed by Alberta Seniors.

11 REQUISITIONS FROM CONTRIBUTING MUNICIPALITIES

	<u>2017</u>	<u>2016</u>
Village of Berwyn	13,932	11,940
Village of Hines Creek	7,016	5,703
Village of Nampa	17,825	16,900
Clear Hills County	422,252	417,592
County of Northern Lights	539,110	516,473
Northern Sunrise County	617,381	613,818
M.D. of Peace #135	111,537	93,959
M.D. of Fairview #136	134,985	127,054
Town of Fairview	111,474	106,066
Town of Grimshaw	109,544	90,966
Town of Manning	46,887	44,117
Town of Peace River	388,056	355,411
	2,520,000	2,400,000

12 CAPITAL RESERVE- LODGES

A reserve has been established by the Board of Directors to accumulate general income to fund future capital expenditures for the lodges as approved by the Board.

13 ECONOMIC DEPENDENCE

The Foundation's primary source of income is derived from the rental of lodge and housing accommodations in buildings that are owned by the provincial government. The provincial government reserves the right to remove the rental properties from the Foundation's control if they do not observe established guidelines. The Foundation's ability to continue viable operations is dependent on maintaining the right to act as an incorporated management body. As at the date of these financial statements the Foundation believes that it is in compliance with the guidelines.

14 FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rate. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily relating to its' loans which bear interest which is based on the prime rate of interest.

**SCHEDULE I
CHANGES IN CAPITAL PROPERTY
AS AT DECEMBER 31, 2017**

LODGE

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
CAPITAL ASSETS - COST:				
Equipment & furnishings	1,158,883.61	32,275.29	13,588.00	1,177,570.90
Automotive equipment	572,322.76	156,571.50	73,324.00	655,570.26
Buildings	18,345,193.87	4,301,687.03	-	22,646,880.90
Buildings under construction	1,329,733.13	3,281,983.31	4,224,187.03	387,529.41
Leasehold improvements	1,342,810.29	-	-	1,342,810.29
Land	2,367,157.59	-	127,890.07	2,239,267.52
Land improvements	1,164,635.39	295,887.01	127,182.09	1,333,340.31
Total Capital Assets - Cost	26,280,736.64	8,068,404.14	4,566,171.19	29,782,969.59
ACCUMULATED AMORTIZATION				
Equipment & furnishings	1,017,565.78	64,942.30	13,588.00	1,068,920.08
Automotive equipment	368,029.96	40,818.89	43,994.40	364,854.45
Buildings	7,363,411.84	928,137.85	-	8,291,549.69
Leasehold improvements	1,038,220.04	67,090.71	-	1,105,310.75
Accumulated Amortization	9,787,227.62	1,100,989.75	57,582.40	10,830,634.97
Total Capital Assets Net of Accumulated Amortization	16,493,509.02	6,967,414.39	4,508,588.79	18,952,334.62

**CHANGES IN CAPITAL PROPERTY
AS AT DECEMBER 31, 2016**

LODGE

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
CAPITAL ASSETS - COST:				
Equipment & furnishings	1,158,883.61	-	-	1,158,883.61
Automotive equipment	538,511.40	63,465.86	29,654.50	572,322.76
Buildings	18,345,193.87	-	-	18,345,193.87
Buildings under construction	487,106.20	842,626.93	-	1,329,733.13
Leasehold improvements	1,342,810.29	-	-	1,342,810.29
Land	2,367,157.59	-	-	2,367,157.59
Land improvements	-	1,164,635.39	-	1,164,635.39
Total Capital Assets - Cost	24,239,662.96	2,070,728.18	29,654.50	26,280,736.64
ACCUMULATED AMORTIZATION				
Equipment & furnishings	937,706.28	79,859.50	-	1,017,565.78
Automotive equipment	345,149.01	43,639.10	20,758.15	368,029.96
Buildings	6,435,614.30	927,797.54	-	7,363,411.84
Leasehold improvements	971,124.52	67,095.52	-	1,038,220.04
Accumulated Amortization	8,689,594.11	1,118,391.66	20,758.15	9,787,227.62
Total Capital Assets Net of Accumulated Amortization	15,550,068.85	952,336.52	8,896.35	16,493,509.02

SCHEDULE I
CHANGES IN CAPITAL PROPERTY - HOUSING
AS AT DECEMBER 31, 2017

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
CAPITAL ASSETS - COST:				
Equipment & furnishings	28,145.20	-	-	28,145.20
Buildings	-	-	-	-
Land	-	-	-	-
Total Capital Assets - Cost	28,145.20	-	-	28,145.20
ACCUMULATED AMORTIZATION				
Equipment & furnishings	28,144.20	-	-	28,144.20
Buildings	-	-	-	-
Accumulated Amortization	28,144.20	-	-	28,144.20
Total Capital Assets, Net of Accumulated Amortization	1.00	-	-	1.00

CHANGES IN CAPITAL PROPERTY - HOUSING
AS AT DECEMBER 31, 2016

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
CAPITAL ASSETS - COST:				
Equipment & furnishings	28,145.20	-	-	28,145.20
Buildings	-	-	-	-
Land	-	-	-	-
Total Capital Assets - Cost	28,145.20	-	-	28,145.20
ACCUMULATED AMORTIZATION				
Equipment & furnishings	28,144.20	-	-	28,144.20
Buildings	-	-	-	-
Accumulated Amortization	28,144.20	-	-	28,144.20
Total Capital Assets, Net of Accumulated Amortization	1.00	-	-	1.00

**SCHEDULE II
COMBINED HR & ADMINISTRATION EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2017**

MANAGEMENT BODY: NORTH PEACE HOUSING FOUNDATION

	Lodge and Affordable	Housing	Combined
550005 Salaries and Wages	4,004,385.23	779,465.90	4,783,851.13
550010 Administration Salaries			-
550040 Maintenance Salaries			-
551000-551050 Employee Benefits	754,959.24	152,936.58	907,895.82
560000-560003 Office and General Administration	49,081.88	39,841.01	88,922.89
560010 Office Rent	12,603.00	14,295.00	26,898.00
560020-560030 Office Equipment and Repairs	2,514.00	619.85	3,133.85
560040 Vehicle and Travel	17,883.43	13,984.41	31,867.84
560060-560064 Board Expenses	35,657.59	31,407.97	67,065.56
560070 Association Fees	7,077.53	5,838.92	12,916.45
560080-560083 Professional Fees	61,537.97	23,740.52	85,278.49
560090 IT Services	28,222.09	21,812.75	50,034.84
560110 Sundry	2,070.81	472.69	2,543.50
Total	4,975,992.77	1,084,415.60	6,060,408.37

**COMBINED HR & ADMINISTRATION EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2016**

	Lodge and Affordable	Housing	Combined
550005 Salaries and Wages	4,145,282.19	776,455.19	4,921,737.38
550010 Administration Salaries	-	-	-
550040 Maintenance Salaries	-	-	-
551000-551050 Employee Benefits	754,508.31	145,747.60	900,255.91
560000-560003 Office and General Administration	94,460.84	48,973.94	143,434.78
560010 Office Rent	16,005.00	14,295.00	30,300.00
560020-560030 Office Equipment and Repairs	-	-	-
560040 Vehicle and Travel	36,974.61	16,733.11	53,707.72
560060-560064 Board Expenses	43,716.18	12,000.00	55,716.18
560070 Association Fees	4,724.84	2,973.81	7,698.65
560080-560083 Professional Fees	43,092.07	20,964.78	64,056.85
560090 IT Services	-	-	-
560110 Sundry	32,406.49	4,260.97	36,667.46
Total	5,171,170.53	1,042,404.40	6,213,574.93

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME: Lodge and Affordable Housing

REVENUE

	2017	2016
400000 Rent	4,178,028.15	4,220,825.65
410000 Resident Services	232,436.28	239,611.11
420000 Non-Resident Services	104,826.48	106,517.20
Grants		
430010 ASHC - Shared Costs	-	-
430020 ASHC - Maintenance	-	-
430030 ASHC - Interest Subsidy	-	-
430040 ASHC - Grants for Rest	36,150.69	-
430050 ASHC - LAP grant	901,107.00	1,007,724.00
430060 ASHC - Rent Supplement Grants received	-	-
430110 Provincial - Homeless Grants	-	-
430120 Provincial - Other Grants	10,024.00	96,818.50
432000 Municipal	35,984.06	-
431000 Federal	-	4,032.00
433000 Other	-	-
Operational Funding		
460010 Municipal Requisition (Note 11)	2,520,000.00	2,400,000.00
450010 Provincial	-	-
450030 Other	15,670.40	15,434.71
470000 Management and Administration	46,314.62	39,596.28
475000 Investment Income	65,197.39	63,897.54
480000 Charitable Donations	16,118.70	13,733.30
Total Revenue	8,161,857.77	8,208,190.29

EXPENSES

550000 Human Resources	4,759,344.47	4,899,790.50
520000 Food	696,024.44	740,841.29
520010-520130 Operating	265,394.87	268,832.75
530000 Operating Maintenance	392,977.66	551,417.40
510000 Utilities	677,862.09	623,323.16
500000 Taxes and Land Leases	84,569.48	68,591.06
560000 Administration	216,648.30	271,380.03
580000 Health	644.91	2,551.98
540000 Charitable Costs	-	-
Total Expenses	7,093,466.22	7,426,728.17
Net Excess (Deficiency) of Revenue over Expenses from operations	1,068,391.55	781,462.12

OTHER EXPENSES

590000 Interest costs	158,279.59	158,031.54
591000 Other	-	-
592000 Amortization	681,933.56	699,539.81
650000 Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses	228,178.40	(76,109.23)

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME: Social Housing Portfolio

REVENUE

		2017	2016
400000	Rent	1,526,727.04	1,459,981.41
410000	Resident Services	280,788.41	319,457.70
420000	Non-Resident Services	-	-
Grants			
430010	ASHC - Shared Costs - Operating Grant	498,880.00	496,630.00
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	22,183.44	-
430050	ASHC - LAP grant	-	-
430060	ASHC - Rent Supplement Grants received	15,190.00	9,780.00
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	-	-
475000	Investment Income	-	-
480000	Charitable Donations	-	-
Total Revenue		2,343,768.89	2,285,849.11

EXPENSES

550000	Human Resources	932,402.48	922,202.79
520010-520130	Operating	71,857.35	82,911.56
530000	Operating Maintenance	506,482.80	370,287.01
510000	Utilities	810,234.11	769,537.10
500000	Taxes and Land Leases	-	-
560000	Administration	152,013.12	120,201.61
580000	Health	-	-
540000	Charitable Costs	-	-
Total Expenses		2,472,989.86	2,265,140.07
Net Excess (Deficiency) of Revenue over Expenses from operations		(129,220.97)	20,709.04

OTHER EXPENSES

590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	-	-
650000	Cash Held for Reserves	-	-
	Excess Operating Grant to be repaid	-	16,563.86
Net Excess (Deficiency) of Revenue over Expenses		(129,220.97)	4,145.18

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME: AUTUMN LODGE
HAL SITE ID: 63300
AHIS Project ID: 120127512057
Program Category: Seniors Lodge
Unit Count: 41

REVENUE		2017	2016
400000	Rent	417,961.00	542,750.00
410000	Resident Services	15,249.17	23,642.83
420000	Non-Resident Services	20,836.00	20,664.00
Grants			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	6,900.00	-
430050	ASHC - LAP grant	124,492.00	129,127.50
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	25,459.50
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	1,283.82	5,526.89
475000	Investment Income	-	-
480000	Charitable Donations	-	-
Total Revenue		586,721.99	747,170.72
EXPENSES			
550000	Human Resources	737,764.50	772,828.11
520000	Food	90,347.79	102,892.83
520010-520130	Operating	24,775.79	28,833.95
530000	Operating Maintenance	31,525.37	55,231.76
510000	Utilities	65,684.56	64,506.67
500000	Taxes and Land Leases	-	-
560000	Administration	10,317.48	7,444.67
580000	Health	171.52	563.93
540000	Charitable Costs	-	-
Total Expenses		960,587.01	1,032,301.92
Net Excess (Deficiency) of Revenue over Expenses from operations		(373,865.02)	(285,131.20)
OTHER EXPENSES			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	53,930.22	55,076.95
650000	Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses		(427,795.24)	(340,208.15)

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME: DEL-AIR LODGE
HAL SITE ID: 63330
AHIS Project ID: 125427510165
Program Category: Seniors Lodge
Unit Count: 51

REVENUE		2017	2016
400000	Rent	532,349.85	513,213.00
410000	Resident Services	30,151.11	26,811.66
420000	Non-Resident Services	15,088.00	15,885.00
Grants			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	945.96	-
430050	ASHC - LAP grant	152,452.00	133,910.00
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other - gain on disposal of capital assets	15,670.40	-
470000	Management and Administration	1,054.50	4,321.83
475000	Investment Income	-	-
480000	Charitable Donations	2,913.47	845.00
Total Revenue		750,625.29	694,986.49

EXPENSES			
550000	Human Resources	647,458.93	649,151.84
520000	Food	103,828.59	108,763.95
520010-520130	Operating	30,555.84	39,587.95
530000	Operating Maintenance	42,467.83	37,437.37
510000	Utilities	90,022.85	83,993.37
500000	Taxes and Land Leases	-	-
560000	Administration	8,361.37	12,506.22
580000	Health	(52.88)	85.00
540000	Charitable Costs	-	-
Total Expenses		922,642.53	931,525.70
Net Excess (Deficiency) of Revenue over Expenses from operations		(172,017.24)	(236,539.21)

OTHER EXPENSES			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	57,412.53	59,470.20
650000	Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses		(229,429.77)	(296,009.41)

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME: HOMESTEADER LODGE
HAL SITE ID: 63320
AHIS Project ID: 124827512051
Program Category: Seniors Lodge
Unit Count: 27

REVENUE		2017	2016
400000	Rent	384,012.00	389,659.65
410000	Resident Services	16,627.94	13,421.05
420000	Non-Resident Services	10,930.00	10,614.00
Grants			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	775.68	-
430050	ASHC - LAP grant	142,838.00	166,016.00
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	864.56	4,181.93
475000	Investment Income	-	-
480000	Charitable Donations	2,680.76	2,680.76
Total Revenue		558,728.94	586,573.39

EXPENSES			
550000	Human Resources	473,479.68	560,708.88
520000	Food	83,585.27	87,941.52
520010-520130	Operating	27,247.18	35,184.02
530000	Operating Maintenance	33,826.11	43,499.72
510000	Utilities	64,434.19	55,066.10
500000	Taxes and Land Leases	-	-
560000	Administration	6,403.41	12,390.55
580000	Health	(54.74)	824.60
540000	Charitable Costs	-	-
Total Expenses		688,921.10	795,615.39
Net Excess (Deficiency) of Revenue over Expenses from operations		(130,192.16)	(209,042.00)

OTHER EXPENSES			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	9,715.87	10,862.60
650000	Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses		(139,908.03)	(219,904.60)

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME: HERITAGE TOWER SENIORS CITIZENS COMPLEX
HAL SITE ID: 63340
AHIS Project ID: 127227512063
Program Category: Seniors Lodge
Unit Count: 80

REVENUE		2017	2016
400000	Rent	1,015,682.30	1,019,169.00
410000	Resident Services	71,710.70	79,964.53
420000	Non-Resident Services	32,468.00	28,628.00
Grants			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	170.07	-
430050	ASHC - LAP grant	260,460.00	329,992.50
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	1,828.42	7,425.05
475000	Investment Income	-	-
480000	Charitable Donations	-	-
Total Revenue		1,382,319.49	1,465,179.08
EXPENSES			
550000	Human Resources	1,098,300.54	1,063,597.11
520000	Food	201,099.31	215,258.93
520010-520130	Operating	60,836.88	77,919.23
530000	Operating Maintenance	109,486.94	76,061.54
510000	Utilities	166,929.28	156,924.60
500000	Taxes and Land Leases	-	-
560000	Administration	9,519.69	11,659.37
580000	Health	(324.13)	264.11
540000	Charitable Costs	-	-
Total Expenses		1,645,848.51	1,601,684.89
Net Excess (Deficiency) of Revenue over Expenses from operations		(263,529.02)	(136,505.81)
OTHER EXPENSES			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	23,985.67	28,974.48
650000	Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses		(287,514.69)	(165,480.29)

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME: HARVEST LODGE
HAL SITE ID: 63310
AHIS Project ID: 122427512001
Program Category: Seniors Lodge
Unit Count: 66

REVENUE		2017	2016
400000	Rent	1,164,696.00	1,109,123.00
410000	Resident Services	59,097.31	62,577.85
420000	Non-Resident Services	24,992.00	28,656.00
Grants			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	220,865.00	248,678.00
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	71,359.00
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	1,826.54	7,553.18
475000	Investment Income	-	-
480000	Charitable Donations	10,524.47	10,207.54
Total Revenue		1,482,001.32	1,538,154.57
EXPENSES			
550000	Human Resources	1,067,011.38	1,089,510.99
520000	Food	217,163.48	225,984.06
520010-520130	Operating	69,494.97	50,869.71
530000	Operating Maintenance	113,728.16	296,304.51
510000	Utilities	191,908.65	178,130.01
500000	Taxes and Land Leases	675.41	675.41
560000	Administration	11,369.96	13,599.83
580000	Health	905.14	814.34
540000	Charitable Costs	-	-
Total Expenses		1,672,257.15	1,855,888.86
Net Excess (Deficiency) of Revenue over Expenses from operations		(190,255.83)	(317,734.29)
OTHER EXPENSES			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	178,492.40	187,201.45
650000	Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses		(368,748.23)	(504,935.74)

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME:

CADOTTE LAKE SRHI

REVENUE

	2017	2016
400000 Rent	32,359.00	25,167.00
410000 Resident Services	8,975.49	8,054.44
420000 Non-Resident Services	-	48.00
Grants		
430010 ASHC - Shared Costs	-	-
430020 ASHC - Maintenance	-	-
430030 ASHC - Interest Subsidy	-	-
430040 ASHC - Grants for Rest	796.48	-
430050 ASHC - LAP grant	-	-
430060 ASHC - Rent Supplement Grants received	-	-
430110 Provincial - Homeless Grants	-	-
430120 Provincial - Other Grants	-	-
432000 Municipal	35,984.06	-
431000 Federal	-	-
433000 Other	-	-
Operational Funding		
460010 Municipal Requisition	-	-
450010 Provincial	-	-
450030 Other	-	-
470000 Management and Administration	-	-
475000 Investment Income	-	-
480000 Charitable Donations	-	-
	-	-
	-	-
Total Revenue	78,115.03	33,269.44

EXPENSES

550000 Human Resources	8,386.22	8,712.34
520000 Food	-	-
520010-520130 Operating	4,658.21	1,124.12
530000 Operating Maintenance	3,953.51	8,527.66
510000 Utilities	5,396.37	4,781.31
500000 Taxes and Land Leases	7,065.60	6,229.88
560000 Administration	5,947.99	8,488.06
580000 Health	-	-
540000 Charitable Costs	-	-
Total Expenses	35,407.90	37,863.37
Net Excess (Deficiency) of Revenue over Expenses from	42,707.13	(4,593.93)

OTHER EXPENSES

590000 Interest costs	-	-
591000 Other	-	-
592000 Amortization	-	-
650000 Cash Held for Reserves	-	-

Net Excess (Deficiency) of Revenue over Expenses

42,707.13	(4,593.93)
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Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME:

GARDEN COURT SENIORS' APARTMENTS

REVENUE

		2017	2016
400000	Rent	630,968.00	621,744.00
410000	Resident Services	26,179.54	25,128.75
420000	Non-Resident Services	-	2,022.20
Grants			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	-	-
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	-	-
475000	Investment Income	-	-
480000	Charitable Donations	-	-
Total Revenue		657,147.54	648,894.95

EXPENSES

550000	Human Resources	69,526.09	55,466.33
520000	Food	-	-
520010-520130	Operating	29,703.65	21,523.42
530000	Operating Maintenance	34,187.14	29,532.91
510000	Utilities	91,117.72	79,917.30
500000	Taxes and Land Leases	52,170.32	55,070.76
560000	Administration	33,628.02	35,319.50
580000	Health	-	-
540000	Charitable Costs	-	-
Total Expenses		310,332.94	276,830.22
Net Excess (Deficiency) of Revenue over Expenses from operations		346,814.60	372,064.73

OTHER EXPENSES

590000	Interest costs	120,042.95	141,220.69
591000	Other	-	-
592000	Amortization	342,158.02	341,774.59
650000	Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses		(115,386.37)	(110,930.55)

Statement of Operations
For Year Ended December 31, 2017

(unaudited)

SITE NAME:

ADMINISTRATION OFFICE

REVENUE		2017	2016
400000	Rent	-	-
410000	Resident Services	4,445.02	10.00
420000	Non-Resident Services	512.48	-
Grants			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	26,562.50	-
430050	ASHC - LAP grant	-	-
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	10,024.00	-
432000	Municipal	-	-
431000	Federal	-	4,032.00
433000	Other	-	-
Operational Funding			
460010	Municipal Requisition (Note 11)	2,520,000.00	2,400,000.00
450010	Provincial	-	-
450030	Other	-	15,434.71
470000	Management and Administration	39,456.78	10,587.40
475000	Investment Income	65,197.39	63,897.54
480000	Charitable Donations	-	-
Total Revenue		2,666,198.17	2,493,961.65
EXPENSES			
550000	Human Resources	657,417.13	699,814.90
520010-520130	Operating	18,122.35	13,790.35
530000	Operating Maintenance	23,802.60	4,821.93
510000	Utilities	2,368.47	3.80
500000	Taxes and Land Leases	24,658.15	6,615.01
560000	Administration	131,100.38	169,971.83
580000	Health	-	-
540000	Charitable Costs	-	-
Total Expenses		857,469.08	895,017.82
Net Excess (Deficiency) of Revenue over Expenses from operations		1,808,729.09	1,598,943.83
OTHER EXPENSES			
590000	Interest costs	38,236.64	16,810.85
591000	Other	-	-
592000	Amortization	16,238.85	16,179.54
650000	Cash Held for Reserves	-	-
Net Excess (Deficiency) of Revenue over Expenses		1,754,253.60	1,565,953.44