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**NORTH PEACE HOUSING FOUNDATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2015**

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## Independent Auditors' Report

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To the Board of Directors of:  
North Peace Housing Foundation

We have audited the accompanying consolidated financial statements of North Peace Housing Foundation, which comprise the consolidated statement of financial position as at December 31, 2015 and the statement of changes in net assets, statement of changes in restricted operating reserve fund, and consolidated statements of operations and cash flows for the year ended December 31, 2015 and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of North Peace Housing Foundation as at December 31, 2015 and the results of its operations and its cash flows for the year ended December 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

Grande Prairie, Alberta

March 20, 2016

*MNP* LLP  
Chartered Accountants

**MNP**

**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, 2015 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 Consolidated 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: March 09, 2016

CHAIRMAN OF THE BOARD OF DIRECTORS:   
Douglas Dallyn

PEACE RIVER, ALBERTA

MANAGEMENT BODY: NORTH PEACE HOUSING FOUNDATION

**NORTH PEACE HOUSING FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2015**

**ASSETS**

	<u>2015</u>			<u>2014</u>		
	<u>CONSOLIDATED</u>	<u>LODGE</u>	<u>HOUSING</u>	<u>CONSOLIDATED</u>	<u>LODGE</u>	<u>HOUSING</u>
<b>CURRENT</b>						
Cash	283,918.49	283,918.49	-	-	-	-
Security deposit trust account	109,527.34	53,869.85	55,657.49	119,522.22	58,756.10	60,766.12
Lodge social club account	2,244.88	2,244.88	-	2,245.69	2,245.69	-
Restricted cash	102,400.00	-	102,400.00	118,002.50	15,602.50	102,400.00
Accounts receivable (Note 3)	612,938.10	423,784.64	189,153.46	467,553.30	245,950.08	221,603.22
Other current assets	85,261.16	73,860.56	11,400.60	80,841.95	69,452.31	11,389.64
	<b>1,196,289.97</b>	<b>837,678.42</b>	<b>358,611.55</b>	<b>788,165.66</b>	<b>392,006.68</b>	<b>396,158.98</b>
<b>CAPITAL ASSETS (Schedule I)</b>	<b>15,550,070.18</b>	<b>15,550,069.18</b>	<b>1.00</b>	<b>15,509,574.64</b>	<b>15,509,573.64</b>	<b>1.00</b>
	<b>16,746,360.15</b>	<b>16,387,747.60</b>	<b>358,612.55</b>	<b>16,297,740.30</b>	<b>15,901,580.32</b>	<b>396,159.98</b>
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Bank overdraft (Note 4)	66,036.12	-	66,036.12	197,879.61	85,729.44	112,150.17
Accounts payable/accrued liabilities (Note 5)	799,651.93	549,260.83	250,391.10	336,172.39	267,305.90	68,866.49
Wages payable (Note 6)	293,875.17	293,875.17	-	249,290.05	249,290.05	-
Accrued vacation liability	321,397.44	321,397.44	-	315,146.06	315,146.06	-
Due to Alberta Social Housing Corporation	-	-	-	19,313.51	-	19,313.51
Tenant security deposits payable	109,319.99	53,662.50	55,657.49	119,522.22	58,756.10	60,766.12
Lodge social club trust	2,244.88	2,244.88	-	2,245.69	2,245.69	-
Unearned revenue (Note 7)	29,611.17	6,880.00	22,731.17	60,483.74	27,821.05	32,662.69
Rent supplement cash advance	35,000.00	-	35,000.00	35,000.00	-	35,000.00
Current portion of long-term debt (Note 9)	181,000.00	181,000.00	-	159,000.00	159,000.00	-
	<b>1,838,136.70</b>	<b>1,408,320.82</b>	<b>429,815.88</b>	<b>1,494,053.27</b>	<b>1,165,294.29</b>	<b>328,758.98</b>
<b>LONG-TERM LIABILITY</b>						
Deferred contributions related to capital assets (Note 8)	6,096,100.00	6,096,100.00	-	6,437,128.14	6,437,128.14	-
Long-term debt (Note 9)	2,914,335.00	2,914,335.00	-	2,646,557.29	2,646,557.29	-
Restricted operating reserve fund (Note 10)	67,400.00	-	67,400.00	67,400.00	-	67,400.00
	<b>9,077,835.00</b>	<b>9,010,435.00</b>	<b>67,400.00</b>	<b>9,151,085.43</b>	<b>9,083,685.43</b>	<b>67,400.00</b>
<b>TOTAL LIABILITIES</b>	<b>10,915,971.70</b>	<b>10,418,755.82</b>	<b>497,215.88</b>	<b>10,645,138.70</b>	<b>10,248,979.72</b>	<b>396,158.98</b>
<b>Commitments (Note 14)</b>						
<b>SURPLUS, EQUITY AND RESERVES</b>						
Unappropriated surplus (deficit)	(742,975.11)	(604,370.78)	(138,604.33)	(829,016.32)	(829,016.32)	-
Capital reserve - Lodge	214,728.71	214,728.71	-	214,728.71	214,728.71	-
Capital surplus	6,358,634.85	6,358,633.85	1.00	6,266,889.21	6,266,888.21	1.00
	<b>5,830,388.45</b>	<b>5,968,991.78</b>	<b>(138,603.33)</b>	<b>5,652,601.60</b>	<b>5,652,600.60</b>	<b>1.00</b>
	<b>16,746,360.15</b>	<b>16,387,747.60</b>	<b>358,612.55</b>	<b>16,297,740.30</b>	<b>15,901,580.32</b>	<b>396,159.98</b>

**STATEMENT OF CHANGES IN NET ASSETS  
LODGE OPERATIONS  
AS AT DECEMBER 31, 2015**

	Accumulated Surplus (Deficit)	Capital Reserve	Capital Surplus
<b>Balance at beginning of year</b>	<b>(829,016.32)</b>	<b>214,728.71</b>	<b>6,266,888.21</b>
<b>Current year net excess (shortfall) of revenue over expenses</b>	316,391.18	-	-
<b>Adjustments:</b>			
Acquisition of capital assets	(1,151,364.02)	-	1,151,364.02
Capital donation funding received	83,963.34		(83,963.34)
Long-term debt advances	450,000.00	-	(450,000.00)
<b>Sub-total</b>	<b>(1,130,025.82)</b>	<b>214,728.71</b>	<b>6,884,288.89</b>
Amortization of capital assets	1,117,617.81	-	(1,117,617.81)
Amortization of capital grants	(418,852.18)	-	418,852.18
Amortization of capital donations	(12,888.30)		12,888.30
Long-term debt repayments	(160,222.29)	-	160,222.29
<b>Balance at end of year</b>	<b>(604,370.78)</b>	<b>214,728.71</b>	<b>6,358,633.85</b>

**STATEMENT OF CHANGES IN NET ASSETS  
LODGE OPERATIONS  
AS AT DECEMBER 31, 2014**

	Accumulated Surplus	Capital Reserve	Capital Surplus
<b>Balance at beginning of year</b>	<b>(1,097,666.78)</b>	<b>214,728.71</b>	<b>6,823,296.40</b>
<b>Current year net excess of revenue over expenses</b>	(287,757.73)	-	-
<b>Adjustments:</b>			
Acquisition of capital assets	(443,481.41)	-	443,481.41
Long-term debt advances	500,000.00	-	(500,000.00)
<b>Sub-total</b>	<b>(1,328,905.92)</b>	<b>214,728.71</b>	<b>6,766,777.81</b>
Amortization of capital assets	1,085,865.66	-	(1,085,865.66)
Amortization of capital grants	(418,852.18)	-	418,852.18
Amortization of capital donations	(10,158.16)	-	10,158.16
Long-term debt repayments	(156,965.72)	-	156,965.72
<b>Balance at end of year</b>	<b>(829,016.32)</b>	<b>214,728.71</b>	<b>6,266,888.21</b>

**STATEMENT OF CHANGES IN NET ASSETS  
HOUSING OPERATIONS  
AS AT DECEMBER 31, 2015**

	Accumulated Surplus (Deficit)	Donated Capital	Capital Surplus
<b>Beginning at beginning of year</b>	\$ -	\$ -	\$ 1.00
<b>Adjustments per Alberta Seniors - Housing division</b>	-	-	-
<b>Sub-total</b>	-		
<b>Current year net excess (deficiency) of revenue over expenses</b>	(145,139.15)	-	-
<b>Excess operating grant carried over from 2014</b>	6,534.82		
<b>Sub-total</b>	(138,604.33)		1.00
<b>Adjustments:</b>			
Acquisition of capital assets	-	-	-
Amortization	-	-	-
<b>Balance at end of year</b>	\$ (138,604.33)	\$ -	\$ 1.00

**STATEMENT OF CHANGES IN NET ASSETS  
HOUSING OPERATIONS  
AS AT DECEMBER 31, 2014**

	Accumulated Surplus (Deficit)	Donated Capital	Capital Surplus
<b>Beginning at beginning of year</b>	\$ -	\$ -	\$ 1.00
<b>Adjustments per Alberta Housing</b>			
Additional operating grant received	-	-	-
<b>Sub-total</b>	-		
<b>Current year net excess (deficiency) of revenue over expenses</b>	-	-	-
<b>Sub-total</b>	-		1.00
<b>Adjustments:</b>			
Acquisition of capital assets	-	-	-
Amortization	-	-	-
<b>Balance at end of year</b>	\$ -	\$ -	\$ 1.00

**STATEMENT OF CHANGES IN RESTRICTED OPERATING RESERVE FUND**  
**December 31, 2015**

**MANAGEMENT BODY:            NORTH PEACE HOUSING FOUNDATION**

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



**NORTH PEACE HOUSING FOUNDATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDING DECEMBER 31, 2015**

		2015	2015	2015	2014
		Lodge and Affordable	Housing	Total	Total
<b>REVENUE</b>					
400000	Rent	4,389,208.65	1,541,118.34	5,930,326.99	5,793,951.38
410000	Resident Services	133,080.43	266,361.92	399,442.35	437,396.90
420000	Non-Resident Services	148,868.41	13,198.90	162,067.31	182,854.71
<b>Grants</b>					
430010	ASHC - Shared Costs - Operating Grant	-	434,254.00	434,254.00	787,071.00
430020	ASHC - Maintenance	-	91,283.00	91,283.00	-
430030	ASHC - Interest Subsidy	-	-	-	-
430040	ASHC - Grants for Rest	-	44,150.00	44,150.00	-
430050	ASHC - LAP grant	1,006,635.00	-	1,006,635.00	947,187.17
430060	ASHC - Rent Supplement Grants received	-	-	-	-
430110	Provincial - Homeless Grants	-	-	-	-
430120	Provincial - Other Grants	209,679.65	17,800.00	227,479.65	-
432000	Municipal	-	-	-	-
431000	Federal	-	-	-	-
433000	Other	-	-	-	-
<b>Operational Funding</b>					
460010	Municipal Requisition (Note 11)	2,200,000.05	-	2,200,000.05	1,500,000.00
450010	Provincial	-	-	-	-
450030	Other	-	-	-	-
470000	Management and Administration	77,945.40	-	77,945.40	56,765.40
475000	Investment Income	9,209.94	-	9,209.94	39,756.93
480000	Charitable Donations	840.00	-	840.00	1,050.00
<b>Total Revenue</b>		<b>8,175,467.53</b>	<b>2,408,166.16</b>	<b>10,583,633.69</b>	<b>9,746,033.49</b>
<b>EXPENSES</b>					
550000	Human Resources	4,609,915.22	927,599.00	5,537,514.22	5,168,732.20
520000	Food	751,494.33	-	751,494.33	754,319.55
520010-520130	Operating	249,612.89	89,574.40	339,187.29	294,867.52
530000	Operating Maintenance	492,805.54	567,446.42	1,060,251.96	767,581.60
510000	Utilities	713,079.24	828,105.79	1,541,185.03	1,593,188.20
500000	Taxes and Land Leases	61,217.57	-	61,217.57	395,315.63
560000	Administration	183,123.90	140,579.70	323,703.60	247,233.01
580000	Health	6,929.92	-	6,929.92	5,445.35
540000	Charitable Costs	-	-	-	-
<b>Total Expenses</b>		<b>7,068,178.61</b>	<b>2,553,305.31</b>	<b>9,621,483.92</b>	<b>9,226,683.06</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>1,107,288.92</b>	<b>(145,139.15)</b>	<b>962,149.77</b>	<b>519,350.43</b>
<b>OTHER EXPENSES</b>					
590000	Interest costs	105,020.74	-	105,020.74	130,939.33
591000	Other	-	-	-	-
592000	Amortization	685,877.00	-	685,877.00	656,855.32
650000	Cash Held for Reserves	-	-	-	-
	Excess Operating Grant to be repaid	-	-	-	19,313.51
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>316,391.18</b>	<b>(145,139.15)</b>	<b>171,252.03</b>	<b>(287,757.73)</b>

## Consolidated Statement of Cash Flows

### For the Year Ended December 31, 2015

**Management Body: NORTH PEACE HOUSING FOUNDATION**

	2015	2014
	\$	\$
<b>Cash from Operating Activities</b>		
Excess of revenue over expenses	171,252.03	(287,757.73)
Add: Amortization of capital assets	1,117,617.81	1,085,865.66
Less: Amortization of capital grants	(418,852.18)	(418,852.18)
Less: Amortization of capital donations	(12,888.30)	(10,158.16)
Net Change in non-cash working capital		
Decrease (increase) in receivables	(145,384.80)	1,564,335.22
Decrease (increase) in other assets	(4,419.21)	(8,639.15)
Increase (decrease) in liabilities	483,234.98	(1,422,152.77)
<b>Net cash generated through operating activities</b>	<b>1,190,560.33</b>	<b>502,640.89</b>
<b>Financing and Investing Activities</b>		
Purchase of capital assets	(1,151,364.02)	(443,481.41)
Proceeds on disposal of capital assets	-	-
Operating grant received (repaid)	(12,778.69)	(130,020.26)
Advances of short-term debt	-	200,000.00
Repayments on short-term debt	-	(200,000.00)
Advances of long-term debt	450,000.00	500,000.00
Repayments on long-term debt	(160,222.29)	(156,965.72)
Capital donations received	83,963.34	-
Capital grant received	-	-
<b>Net cash generated (used) in financing and investing activities</b>	<b>(790,401.66)</b>	<b>(230,467.39)</b>
<b>Net increase (decrease) in cash</b>	<b>400,158.67</b>	<b>272,173.50</b>
<b>Cash (Deficiency), beginning of the year</b>	<b>(77,631.42)</b>	<b>(349,804.92)</b>
<b>Cash (Deficiency), end of year</b>	<b>322,527.25</b>	<b>(77,631.42)</b>
<b>Cash (bank overdraft) represented by:</b>		
Cash (bank overdraft)	217,882.37	(197,879.61)
Lodge Social Club Account	2,244.88	2,245.69
Restricted cash	102,400.00	118,002.50
	<b>322,527.25</b>	<b>(77,631.42)</b>

**NORTH PEACE HOUSING FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**1 PURPOSE OF THE ORGANIZATION**

North Peace Housing Foundation ("Foundation") is a non-profit local government 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 consolidated 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) Due to/from Alberta Social Housing Corporation**

The amount due/from to Alberta Social Housing Corporations is calculated on Schedule II.

**f) 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.

**g) Bad debts**

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

**h) 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 CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**i) 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.

**j) 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 of 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

**k) 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.

**l) 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.

**m) 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 CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**n) Measurement uncertainty (use of estimates)**

The preparation of consolidated 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 consolidated 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:

	2015			2014
	Lodge	Housing	TOTAL	TOTAL
General accounts receivable	329,335	124,186	453,521	292,134
Receivable from tenants	28,776	97,445	126,221	186,916
Accrued interest receivable	-	-	-	-
GST receivable	85,609	32,862	118,471	74,239
	443,720	254,493	698,213	553,289
Less: allowance for doubtful accounts	(19,935)	(65,340)	(85,275)	(85,736)
	423,785	189,153	612,938	467,553

**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:

	2015			2014
	Lodge	Housing	TOTAL	TOTAL
Trade payables	535,761	236,891	772,652	309,172
Audit accrual	13,500	13,500	27,000	27,000
	549,261	250,391	799,652	336,172

**6 WAGES PAYABLE**

Wages payable consists of the following:

	2015			2014
	Lodge	Housing	TOTAL	TOTAL
Accrued wages	144,229	-	144,229	142,462
Payroll deductions payable	105,084	-	105,084	60,256
WCB payable	6,730	-	6,730	6,207
RRSP payable	37,832	-	37,832	40,365
	293,875	-	293,875	249,290

**7 UNEARNED REVENUE**

Unearned revenue consists of the following:

	2015			2014
	Lodge	Housing	TOTAL	TOTAL
Lodge renewal grant				
Balance beginning of year	15,602	-	15,602	-
Funding received during year	192,982	-	192,982	28,200
Funding expended during year	(208,584)	-	(208,584)	(12,598)
	-	-	-	15,602
Prepaid rent - tenants	6,880	22,731	29,611	44,882
	6,880	22,731	29,611	60,484

**NORTH PEACE HOUSING FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**8 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

	<u>2015</u>		<u>2014</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	1,903,292	865,133	1,003,554
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 is being amortized.	5,608,613	560,862	5,047,751	5,328,182
	<u>8,377,038</u>	<u>2,464,154</u>	<u>5,912,884</u>	<u>6,331,736</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	10,723	42,892	45,573
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	22,432	52,342	59,819
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	2,730	24,571	-
Donations received to assist in funding the construction of Rotary House; amortization will commence on completion of the project.	63,411	-	63,411	-
	<u>219,101</u>	<u>35,885</u>	<u>183,216</u>	<u>105,392</u>
	<u>8,596,139</u>	<u>2,500,039</u>	<u>6,096,100</u>	<u>6,437,128</u>

**9 LONG-TERM DEBT**

	<u>2015</u>	<u>2014</u>
Note payable to Northern Sunrise County, unsecured, with no specific repayment terms or interest.	113,874	113,874
Promissory note payable to Clear Hills County bearing interest at prime plus 0.7% (2014 - prime plus 1%) per annum, payable in quarterly instalments of \$19,983.57 (2014 - \$20,375.91), due December 2028.	822,799	870,459
Promissory note payable to Town of Manning bearing interest at prime plus 1.0% per annum, payable in quarterly instalments of \$3,045.56, due October 2023.	80,836	89,566
Promissory note payable to County of Northern Lights bearing interest at 4.0% per annum, payable in quarterly instalments of \$16,683.34, due October 2028.	663,698	703,156
Promissory note payable to MD of Fairview No. 136 bearing interest 4.0% per annum, payable in quarterly instalments of \$2,224.44, due November 2028.	89,855	95,028
Promissory note payable to MD of Peace No. 135 bearing interest 4.0% per annum, payable in quarterly instalments of \$8,333.33 plus interest, due December 2028.	425,000	458,333
Promissory note payable to Clear Hills County bearing interest at prime plus 1.0% per annum, payable in quarterly instalments of \$11,122.22, due January 2029.	449,273	475,141
Promissory note payable to County of Northern Lights bearing interest at prime plus 1.0% per annum, payable in quarterly instalments of \$9,795.12, due December 2030.	450,000	-
	<u>3,095,335</u>	<u>2,805,557</u>
Less: Current portion	(181,000)	(159,000)
	<u>2,914,335</u>	<u>2,646,557</u>

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

2016	181,000
2017	190,500
2018	194,000
2019	207,000
2020	197,000

**NORTH PEACE HOUSING FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**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>2015</u>	<u>2014</u>
Village of Berwyn	10,829	7,352
Village of Hines Creek	5,373	3,870
Village of Nampa	13,699	8,108
Clear Hills County	390,108	267,683
County of Northern Lights	483,565	338,278
Northern Sunrise County	539,926	361,537
M.D. of Peace #135	95,401	61,456
M.D. of Fairview #136	120,183	85,816
Town of Fairview	102,076	70,570
Town of Grimshaw	82,855	55,457
Town of Manning	38,640	25,263
Town of Peace River	317,345	214,610
	<u>2,200,000</u>	<u>1,500,000</u>

**12 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.

**13 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.

**14 Commitments**

During the year the Foundation entered into an agreement with Northern Road Buildings Inc. with respect to water, sanitary & storm sewer servicing and the pre-grading of the Westhill project site for a total of \$846,719. As at December 31, 2015 \$459,029 has been paid.

During the year the Foundation entered into an agreement with Workum Garrick Partnership with respect to architect fees for the Westhill project for a total of \$270,270. As at December 31, 2015 \$99,181 has been paid.

**SCHEDULE I  
CHANGES IN CAPITAL PROPERTY  
AS AT DECEMBER 31, 2015**

**LODGE**

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
<b>CAPITAL ASSETS - COST:</b>				
Equipment & furnishings	1,081,334.07	77,549.54	-	1,158,883.61
Automotive equipment	540,528.15	25,882.25	27,899.00	538,511.40
Buildings	18,335,640.87	9,553.00	-	18,345,193.87
Buildings under construction	381,176.41	105,929.79	-	487,106.20
Leasehold improvements	1,332,790.29	10,020.00	-	1,342,810.29
Land	1,437,979.15	929,178.44	-	2,367,157.59
<b>Total Capital Assets - Cost</b>	<b>23,109,448.94</b>	<b>1,158,113.02</b>	<b>27,899.00</b>	<b>24,239,662.96</b>
<b>ACCUMULATED AMORTIZATION</b>				
Equipment & furnishings	855,240.16	82,466.12	-	937,706.28
Automotive equipment	332,790.04	40,257.97	27,899.00	345,149.01
Buildings	5,507,816.10	927,797.87	-	6,435,613.97
Leasehold improvements	904,029.00	67,095.52	-	971,124.52
<b>Accumulated Amortization</b>	<b>7,599,875.30</b>	<b>1,117,617.48</b>	<b>27,899.00</b>	<b>8,689,593.78</b>
<b>Total Capital Assets Net of Accumulated Amortization</b>	<b>15,509,573.64</b>	<b>40,495.54</b>	<b>-</b>	<b>15,550,069.18</b>

**CHANGES IN CAPITAL PROPERTY  
AS AT DECEMBER 31, 2014**

**LODGE**

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
<b>CAPITAL ASSETS - COST:</b>				
Equipment & furnishings	1,070,174.50	55,615.82	44,456.25	1,081,334.07
Automotive equipment	627,162.15	-	86,634.00	540,528.15
Buildings	17,952,005.38	383,635.49	-	18,335,640.87
Buildings under construction	380,429.41	747.00	-	381,176.41
Leasehold improvements	1,332,790.29	-	-	1,332,790.29
Land	1,434,496.05	3,483.10	-	1,437,979.15
<b>Total Capital Assets - Cost</b>	<b>22,797,057.78</b>	<b>443,481.41</b>	<b>131,090.25</b>	<b>23,109,448.94</b>
<b>ACCUMULATED AMORTIZATION</b>				
Equipment & furnishings	822,427.80	77,268.61	44,456.25	855,240.16
Automotive equipment	375,516.81	43,907.23	86,634.00	332,790.04
Buildings	4,609,720.80	898,095.30	-	5,507,816.10
Leasehold improvements	837,434.48	66,594.52	-	904,029.00
<b>Accumulated Amortization</b>	<b>6,645,099.89</b>	<b>1,085,865.66</b>	<b>131,090.25</b>	<b>7,599,875.30</b>
<b>Total Capital Assets Net of Accumulated Amortization</b>	<b>16,151,957.89</b>	<b>(642,384.25)</b>	<b>-</b>	<b>15,509,573.64</b>



**SCHEDULE I**  
**CHANGES IN CAPITAL PROPERTY - HOUSING**  
**AS AT DECEMBER 31, 2015**

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

**CHANGES IN CAPITAL PROPERTY - HOUSING**  
**AS AT DECEMBER 31, 2014**

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

**SCHEDULE II  
COMBINED HR & ADMINISTRATION EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2015**

**MANAGEMENT BODY: NORTH PEACE HOUSING FOUNDATION**

	<b>Lodge</b>	<b>Housing</b>	<b>Combined</b>
<b>550005 Salaries and Wages</b>	3,891,790.85	-	3,891,790.85
<b>550010 Administration Salaries</b>	-	341,634.00	341,634.00
<b>550040 Maintenance Salaries</b>	-	439,220.00	439,220.00
<b>551000-551050 Employee Benefits</b>	703,498.78	146,745.00	850,243.78
<b>560000-560003 Office and General Administration</b>	37,196.40	69,747.81	106,944.21
<b>560010 Office Rent</b>	30,300.00	22,800.00	53,100.00
<b>560020-560030 Office Equipment and Repairs</b>	-	-	-
<b>560040 Vehicle and Travel</b>	51,409.01	13,331.70	64,740.71
<b>560060-560064 Board Expenses</b>	29,091.28	12,000.00	41,091.28
<b>560070 Association Fees</b>	5,767.50	-	5,767.50
<b>560080-560083 Professional Fees</b>	38,810.30	17,377.32	56,187.62
<b>560090 IT Services</b>	-	-	-
<b>560110 Sundry</b>	5,175.00	5,322.87	10,497.87
<b>Total</b>	<b>4,793,039.12</b>	<b>1,068,178.70</b>	<b>5,861,217.82</b>

**ADMINISTRATION EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2014**

	<b>Lodge</b>	<b>Housing</b>	<b>Combined</b>
<b>550005 Salaries and Wages</b>	3,692,273.79	-	3,692,273.79
<b>550010 Administration Salaries</b>	-	288,788.00	288,788.00
<b>550040 Maintenance Salaries</b>	-	469,250.00	469,250.00
<b>551000-551050 Employee Benefits</b>	576,916.72	134,112.00	711,028.72
<b>560000-560003 Office and General Administration</b>	23,037.37	21,819.40	44,856.77
<b>560010 Office Rent</b>	30,300.00	22,800.00	53,100.00
<b>560020-560030 Office Equipment and Repairs</b>	-	984.47	984.47
<b>560040 Vehicle and Travel</b>	33,007.10	15,819.62	48,826.72
<b>560060-560064 Board Expenses</b>	23,142.12	12,000.00	35,142.12
<b>560070 Association Fees</b>	3,084.39	330.00	3,414.39
<b>560080-560083 Professional Fees</b>	38,203.05	17,208.98	55,412.03
<b>560090 IT Services</b>	-	-	-
<b>560110 Sundry</b>	7,231.80	5,656.40	12,888.20
<b>Total</b>	<b>4,427,196.34</b>	<b>988,768.87</b>	<b>5,415,965.21</b>

**Statement of Operations**  
**For Year Ended December 31, 2015**

(unaudited)

**SITE NAME: Lodge and Affordable Housing**

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	4,389,208.65	4,112,468.98
410000	Resident Services	133,080.43	150,910.90
420000	Non-Resident Services	148,868.41	174,559.45
<b>Grants</b>			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	1,006,635.00	947,187.17
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	209,679.65	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition (Note 11)	2,200,000.05	1,500,000.00
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	77,945.40	56,765.40
475000	Investment Income	9,209.94	39,756.93
480000	Charitable Donations	840.00	1,050.00
<b>Total Revenue</b>		<b>8,175,467.53</b>	<b>6,982,698.83</b>
<b>EXPENSES</b>			
550000	Human Resources	4,609,915.22	4,276,582.20
520000	Food	751,494.33	754,319.55
520010-520130	Operating	249,612.89	229,822.50
530000	Operating Maintenance	492,805.54	308,830.36
510000	Utilities	713,079.24	707,533.78
500000	Taxes and Land Leases	61,217.57	49,514.03
560000	Administration	183,123.90	150,614.14
580000	Health	6,929.92	5,445.35
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>7,068,178.61</b>	<b>6,482,661.91</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>1,107,288.92</b>	<b>500,036.92</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	105,020.74	130,939.33
591000	Other	-	-
592000	Amortization	685,877.00	656,855.32
650000	Cash Held for Reserves	-	-
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>316,391.18</b>	<b>(287,757.73)</b>

**Statement of Operations**  
**For Year Ended December 31, 2015**  
*(unaudited)*

**SITE NAME: Social Housing Portfolio**

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	1,541,118.34	1,681,482.40
410000	Resident Services	266,361.92	286,486.00
420000	Non-Resident Services	13,198.90	8,295.26
<b>Grants</b>			
430010	ASHC - Shared Costs - Operating Grant	434,254.00	787,071.00
430020	ASHC - Maintenance	91,283.00	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	44,150.00	-
430050	ASHC - LAP grant	-	-
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	17,800.00	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	-	-
475000	Investment Income	-	-
480000	Charitable Donations	-	-
<b>Total Revenue</b>		<b>2,408,166.16</b>	<b>2,763,334.66</b>
<b>EXPENSES</b>			
550000	Human Resources	927,599.00	892,150.00
520010-520130	Operating	89,574.40	65,045.02
530000	Operating Maintenance	567,446.42	458,751.24
510000	Utilities	828,105.79	885,654.42
500000	Taxes and Land Leases	-	345,801.60
560000	Administration	140,579.70	96,618.87
580000	Health	-	-
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>2,553,305.31</b>	<b>2,744,021.15</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>(145,139.15)</b>	<b>19,313.51</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	-	-
650000	Cash Held for Reserves	-	-
	Excess Operating Grant to be repaid	-	19,313.51
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>(145,139.15)</b>	<b>(0.00)</b>

**Statement of Operations**  
**For Year Ended December 31, 2014**

(unaudited)

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

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	557,870.00	550,429.68
410000	Resident Services	14,972.00	14,464.11
420000	Non-Resident Services	26,983.00	24,536.00
<b>Grants</b>			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	154,712.25	143,099.43
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	75,458.65	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	-	17,601.69
475000	Investment Income	-	-
480000	Charitable Donations	-	-
<b>Total Revenue</b>		<b>829,995.90</b>	<b>750,130.91</b>

<b>EXPENSES</b>			
550000	Human Resources	719,266.89	654,319.14
520000	Food	110,936.96	105,908.27
520010-520130	Operating	25,047.50	29,474.62
530000	Operating Maintenance	104,433.82	50,842.38
510000	Utilities	78,890.82	87,560.16
500000	Taxes and Land Leases	-	-
560000	Administration	2,876.47	1,781.38
580000	Health	1,205.55	1,534.68
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>1,042,658.01</b>	<b>931,420.63</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>(212,662.11)</b>	<b>(181,289.72)</b>

<b>OTHER EXPENSES</b>			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	55,076.96	55,076.96
650000	Cash Held for Reserves	-	-
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>(267,739.07)</b>	<b>(236,366.68)</b>

**Statement of Operations  
For Year Ended December 31, 2015**

*(unaudited)*

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

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	491,097.60	503,298.76
410000	Resident Services	13,179.00	15,010.00
420000	Non-Resident Services	21,027.00	14,508.00
<b>Grants</b>			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	121,894.50	157,279.44
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	-	330.00
475000	Investment Income	-	-
480000	Charitable Donations	840.00	1,000.00
<b>Total Revenue</b>		<b>648,038.10</b>	<b>691,426.20</b>
<b>EXPENSES</b>			
550000	Human Resources	584,445.15	542,435.23
520000	Food	104,056.49	104,096.89
520010-520130	Operating	21,199.78	21,732.13
530000	Operating Maintenance	46,132.83	36,260.61
510000	Utilities	90,466.29	99,224.68
500000	Taxes and Land Leases	-	-
560000	Administration	3,134.46	1,604.50
580000	Health	109.33	492.82
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>849,544.33</b>	<b>805,846.86</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>(201,506.23)</b>	<b>(114,420.66)</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	59,470.20	64,411.40
650000	Cash Held for Reserves	-	-
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>(260,976.43)</b>	<b>(178,832.06)</b>

**Statement of Operations  
For Year Ended December 31, 2015**

*(unaudited)*

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

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	404,146.55	417,414.38
410000	Resident Services	11,724.59	11,306.48
420000	Non-Resident Services	17,164.95	16,802.30
<b>Grants</b>			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	167,438.25	156,791.65
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	110.00	371.00
475000	Investment Income	-	-
480000	Charitable Donations	-	50.00
	<b>Total Revenue</b>	<b>600,584.34</b>	<b>602,735.81</b>
<b>EXPENSES</b>			
550000	Human Resources	581,757.89	549,248.97
520000	Food	98,614.66	95,272.89
520010-520130	Operating	22,996.37	19,798.59
530000	Operating Maintenance	23,276.65	35,568.71
510000	Utilities	60,991.36	54,710.93
500000	Taxes and Land Leases	-	-
560000	Administration	3,020.46	3,183.18
580000	Health	1,321.59	922.77
540000	Charitable Costs	-	-
	<b>Total Expenses</b>	<b>791,978.98</b>	<b>758,706.04</b>
	<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>	<b>(191,394.64)</b>	<b>(155,970.23)</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	8,181.85	10,334.45
650000	Cash Held for Reserves	-	-
	<b>Net Excess (Deficiency) of Revenue over Expenses</b>	<b>(199,576.49)</b>	<b>(166,304.68)</b>

**Statement of Operations**  
**For Year Ended December 31, 2015**

*(unaudited)*

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

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	1,145,759.50	1,019,059.76
410000	Resident Services	26,729.00	22,990.00
420000	Non-Resident Services	34,177.41	74,371.15
<b>Grants</b>			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	300,048.00	241,041.55
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	-	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	2,323.50	2,992.70
475000	Investment Income	-	-
480000	Charitable Donations	-	-
	<b>Total Revenue</b>	<b>1,509,037.41</b>	<b>1,360,455.16</b>
<b>EXPENSES</b>			
550000	Human Resources	972,180.92	902,281.27
520000	Food	212,673.32	217,610.30
520010-520130	Operating	40,081.03	53,817.34
530000	Operating Maintenance	102,811.97	92,511.96
510000	Utilities	180,911.45	143,027.52
500000	Taxes and Land Leases	-	-
560000	Administration	3,007.92	4,051.39
580000	Health	2,318.10	770.09
540000	Charitable Costs	-	-
	<b>Total Expenses</b>	<b>1,513,984.71</b>	<b>1,414,069.87</b>
	<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>	<b>(4,947.30)</b>	<b>(53,614.71)</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	28,974.48	19,601.37
650000	Cash Held for Reserves	-	-
	<b>Net Excess (Deficiency) of Revenue over Expenses</b>	<b>(33,921.78)</b>	<b>(73,216.08)</b>



**Statement of Operations**  
**For Year Ended December 31, 2015**

(unaudited)

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

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	1,092,239.00	1,065,927.40
410000	Resident Services	38,301.00	35,847.39
420000	Non-Resident Services	49,516.05	44,342.00
<b>Grants</b>			
430010	ASHC - Shared Costs	-	-
430020	ASHC - Maintenance	-	-
430030	ASHC - Interest Subsidy	-	-
430040	ASHC - Grants for Rest	-	-
430050	ASHC - LAP grant	262,542.00	248,975.10
430060	ASHC - Rent Supplement Grants received	-	-
430110	Provincial - Homeless Grants	134,221.00	-
430120	Provincial - Other Grants	-	-
432000	Municipal	-	-
431000	Federal	-	-
433000	Other	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	-	12,635.40
475000	Investment Income	-	-
480000	Charitable Donations	-	-
<b>Total Revenue</b>		<b>1,576,819.05</b>	<b>1,407,727.29</b>
<b>EXPENSES</b>			
550000	Human Resources	954,205.27	948,680.94
520000	Food	225,212.90	231,431.20
520010-520130	Operating	33,735.95	51,345.61
530000	Operating Maintenance	232,677.86	78,295.37
510000	Utilities	208,430.81	210,776.75
500000	Taxes and Land Leases	1,019.39	1,019.39
560000	Administration	4,444.99	3,984.43
580000	Health	1,975.35	1,724.99
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>1,661,702.52</b>	<b>1,527,258.68</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>(84,883.47)</b>	<b>(119,531.39)</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	179,600.51	173,605.95
650000	Cash Held for Reserves	-	-
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>(264,483.98)</b>	<b>(293,137.34)</b>

**Statement of Operations**  
**For Year Ended December 31, 2015**  
*(unaudited)*

**SITE NAME: CADOTTE LAKE SRHI**

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	24,664.00	31,933.00
410000	Resident Services	2,040.16	31,232.42
420000	Non-Resident Services	-	-
<b>Grants</b>			
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	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	1,641.09	6,767.00
475000	Investment Income	-	27.99
480000	Charitable Donations	-	-
<b>Total Revenue</b>		<b>28,345.25</b>	<b>69,960.41</b>

<b>EXPENSES</b>			
550000	Human Resources	1,093.15	1,559.70
520000	Food	-	-
520010-520130	Operating	81,655.91	25,251.82
530000	Operating Maintenance	(51,657.89)	999.77
510000	Utilities	3,709.57	26,795.48
500000	Taxes and Land Leases	6,081.80	5,725.74
560000	Administration	6,557.32	6,358.10
580000	Health	-	-
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>47,439.86</b>	<b>66,690.61</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from</b>		<b>(19,094.61)</b>	<b>3,269.80</b>

<b>OTHER EXPENSES</b>			
590000	Interest costs	-	-
591000	Other	-	-
592000	Amortization	-	-
650000	Cash Held for Reserves	-	-
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>(19,094.61)</b>	<b>3,269.80</b>

**Statement of Operations**  
**For Year Ended December 31, 2015**

*(unaudited)*

**SITE NAME:**

**GARDEN COURT SENIORS' APARTMENTS**

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	650,632.00	501,606.00
410000	Resident Services	26,134.68	20,060.50
420000	Non-Resident Services	-	-
<b>Grants</b>			
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	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition	-	-
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	22.50	13.00
475000	Investment Income	-	17.11
480000	Charitable Donations	-	-
<b>Total Revenue</b>		<b>676,789.18</b>	<b>521,696.61</b>
<b>EXPENSES</b>			
550000	Human Resources	36,711.56	37,425.74
520000	Food	-	-
520010-520130	Operating	14,630.95	16,414.44
530000	Operating Maintenance	35,130.30	11,690.67
510000	Utilities	83,426.82	79,287.77
500000	Taxes and Land Leases	47,660.84	37,301.25
560000	Administration	344.45	7,138.15
580000	Health	-	-
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>217,904.92</b>	<b>189,258.02</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>458,884.26</b>	<b>332,438.59</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	103,609.45	130,939.33
591000	Other	-	-
592000	Amortization	341,774.59	312,071.69
650000	Cash Held for Reserves	-	-
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>13,500.22</b>	<b>(110,572.43)</b>

**Statement of Operations**  
**For Year Ended December 31, 2015**

(unaudited)

**SITE NAME:**

**ADMINISTRATION OFFICE**

<b>REVENUE</b>		<b>2015</b>	<b>2014</b>
400000	Rent	22,800.00	22,800.00
410000	Resident Services	-	-
420000	Non-Resident Services	-	-
<b>Grants</b>			
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	-	-
<b>Operational Funding</b>			
460010	Municipal Requisition (Note 11)	2,200,000.05	1,500,000.00
450010	Provincial	-	-
450030	Other	-	-
470000	Management and Administration	73,848.31	16,054.61
475000	Investment Income	9,209.94	39,711.83
480000	Charitable Donations	-	-
<b>Total Revenue</b>		<b>2,305,858.30</b>	<b>1,578,566.44</b>
<b>EXPENSES</b>			
550000	Human Resources	760,254.39	640,631.21
520010-520130	Operating	10,265.40	11,987.95
530000	Operating Maintenance	-	2,660.89
510000	Utilities	6,252.12	6,150.49
500000	Taxes and Land Leases	6,455.54	5,467.65
560000	Administration	159,737.83	122,513.01
580000	Health	-	-
540000	Charitable Costs	-	-
<b>Total Expenses</b>		<b>942,965.28</b>	<b>789,411.20</b>
<b>Net Excess (Deficiency) of Revenue over Expenses from operations</b>		<b>1,362,893.02</b>	<b>789,155.24</b>
<b>OTHER EXPENSES</b>			
590000	Interest costs	1,411.29	-
591000	Other	-	-
592000	Amortization	12,798.41	21,753.50
650000	Cash Held for Reserves	-	-
<b>Net Excess (Deficiency) of Revenue over Expenses</b>		<b>1,348,683.32</b>	<b>767,401.74</b>

**SCHEDULE II - A  
ADMINISTRATION EXPENSE DISTRIBUTION  
FOR THE YEAR ENDING DECEMBER 31, 2015**

Administration Expense - Housing	167,949.86
Administration Expense - Lodge	5,112,929.55
<b>Total Administration Expense</b>	<b>5,280,879.41</b>

<u>Project Number</u>	<u>Name</u>	<u>Units</u>	<u>%</u>	<u>Allocation</u>
	Office			937,807.59
	Autumn Lodge			734,216.98
	Del-Air Lodge			591,882.43
	Homesteader Lodge			590,476.22
	Heritage Tower Lodge			980,491.53
	Harvest Lodge			973,280.10
	Cadotte Lake SRHI			89,306.38
	Garden Court Apartments			215,468.32
				<b>5,112,929.55</b>
1201-2755-2125	Autumn Villa	8	2.73%	15,025.14
1242-2755-2204	Legion Court	16	5.46%	30,050.28
1242-2755-2034	Legion Place	8	2.73%	15,025.14
1224-2755-2082	Garrison I	16	5.46%	30,050.28
1224-2755-2252	Garrison II	30	10.24%	56,344.28
1293-2755-2343	Pioneer Village	4	1.37%	7,512.57
1272-2755-2036	Greene Valley	20	6.83%	37,562.86
1272-2755-2239	Heritage Tower		0.00%	-
1254-2755-2206	Manning Apts.	16	5.46%	30,050.28
1265-2755-2129	Nampa Apts. I	4	1.37%	7,512.57
1265-2755-2200	Nampa Apts. II	4	1.37%	7,512.57
1265-2755-2337	Nampa Apts. III	4	1.37%	7,512.57
1265-2722-3084	Nampa R&N	2	0.68%	3,756.29
1265-2722-3224	Nampa R&N	1	0.34%	1,878.14
1254-2731-2877	Manning Comm.	14	4.78%	26,294.00
1254-2731-2792	Manning Comm.	6	2.05%	11,268.86
1254-2722-3161	Manning R&N	1	0.34%	1,878.14
1254-2722-3162	Manning R&N	2	0.68%	3,756.29
1224-2722-3111	Fairview R&N	4	1.37%	7,512.57
1224-2722-3169	Fairview R&N	1	0.34%	1,878.14
1224-2722-3225	Fairview R&N	1	0.34%	1,878.14
1224-2722-3226	Fairview R&N	7	2.39%	13,147.00
1272-2731-2736	P.R. Comm. Housing	1	0.34%	1,878.14
1272-2731-2053	P.R. Comm. Housing	30	10.24%	56,344.28
1272-2731-2755	P.R. Comm. Housing	2	0.68%	3,756.29
1272-2731-2675	P.R. Comm. Housing	17	5.80%	31,928.43
1272-2731-2202	P.R. Comm. Housing	3	1.02%	5,634.43
1272-2731-2802	P.R. Comm. Housing	2	0.68%	3,756.29
1272-2731-2878	P.R. Comm. Housing	22	7.51%	41,319.14
1272-2731-2832	P.R. Comm. Housing	3	1.02%	5,634.43
1261-2722-2986	St. Isidore R&N	2	0.68%	3,756.29
1261-2722-3227	St. Isidore R&N	1	0.34%	1,878.14
1242-2731-0010	Grimshaw Comm.	6	2.05%	11,268.86
1242-2731-2295	Grimshaw Comm.	13	4.44%	24,415.86
1242-2731-2835	Grimshaw Comm.	0	0.00%	-
1242-2722-3204	Grimshaw R&N	2	0.68%	3,756.29
1242-2722-2519	Grimshaw R&N	3	1.02%	5,634.43
1242-2722-3013	Grimshaw R&N	1	0.34%	1,878.14
1242-2722-3172	Grimshaw R&N	9	3.07%	16,903.28
		7	0.023891	13147
		293	100.00%	537,148.83