

**GREATER NORTH FOUNDATION**

**Year Ended December 31, 2021**

## AUDITOR'S REPORT

To the Board of Directors  
Greater North Foundation

**Opinion**

We have audited the accompanying financial statements of Greater North Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greater North Foundation as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Opinion**

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

**Responsibility of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or cease operations, or has no realistic alternative but to do so.

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

(continues)

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

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

- Identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
March 28, 2022

  
CHARTERED PROFESSIONAL ACCOUNTANTS

GREATHER NORTH FOUNDATION  
Statement of Financial Position  
December 31, 2021

2021

	Foundation Administration Board	Special Housing Projects	Pleasant Valley Lodge		Wildrose Villa	Lacatta Lodge	Total	2020 Total
			Valley Lodge					
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash	-	\$ 405,846	\$ -	\$ -	\$ -	\$ 296,746	\$ 702,592	\$ 561,490
Trust account for security deposits (Note 3)	-	48,332	-	-	-	-	48,332	45,591
Accounts receivable (Note 4)	395	22,333	41,848	37,149	58,275	160,000	203,367	203,367
Inventory	-	-	6,741	15,610	9,588	31,939	41,467	41,467
Prepaid expenses	49,447	-	923	2,178	9,369	61,917	64,068	64,068
Interfund accounts	143,185	-	28,384	19,537	11,662	202,768	70,704	70,704
	193,027	476,511	77,896	74,474	385,640	1,207,548	986,687	986,687
<b>PROPERTY AND EQUIPMENT (Note 5)</b>								
	2,231	1,545,811	7,306,127	39,351	7,921,585	16,815,105	17,934,392	17,934,392
	\$ 195,258	\$ 2,022,322	\$ 7,384,023	\$ 113,825	\$ 8,307,225	\$ 18,022,653	\$ 18,921,079	\$ 18,921,079

**LIABILITIES**

<b>CURRENT LIABILITIES</b>								
Bank indebtedness	\$ 81,217	\$ -	\$ 83,711	\$ 151,604	\$ -	\$ -	\$ 316,532	\$ 359,146
Accounts payable and accrued liabilities (Note 7)	76,284	103,180	210,255	135,739	165,012	690,450	776,718	776,718
Security deposits	-	48,332	-	-	-	48,332	48,332	45,591
Deferred revenue	-	65,055	-	1,874	3,313	70,242	62,214	62,214
Deferred donations	-	-	1,939	100	-	2,039	1,939	1,939
Restricted reserve (Note 8)	-	34,200	-	-	-	34,200	34,200	34,200
Restricted capital reserve (Note 9)	18,152	-	114,800	111,500	133,000	377,452	299,046	299,046
Due to Alberta Seniors	-	22,996	-	-	-	22,996	107	107
Interfund accounts	-	202,768	-	-	-	202,768	70,704	70,704
	175,653	476,511	410,705	400,817	301,325	1,765,011	1,649,665	1,649,665
<b>CONTRIBUTED PROPERTIES (Note 10)</b>								
	-	1,545,810	-	-	-	1,545,810	1,545,810	1,545,810
<b>DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 11)</b>								
	-	-	3,993,502	-	3,417,722	7,411,224	7,966,950	7,966,950
	175,653	2,022,321	4,404,207	400,817	3,719,047	10,722,045	11,162,425	11,162,425

**NET ASSETS**

Invested in property and equipment	2,231	1	3,312,625	39,351	4,503,863	7,858,071	8,421,632	8,421,632
Unrestricted	17,374	-	(332,809)	(326,343)	84,315	(557,463)	(662,978)	(662,978)
	19,605	1	2,979,816	(286,992)	4,588,178	7,300,608	7,758,654	7,758,654
	\$ 195,258	\$ 2,022,322	\$ 7,384,023	\$ 113,825	\$ 8,307,225	\$ 18,022,653	\$ 18,921,079	\$ 18,921,079

APPROVED BY THE BOARD

Director  
Director

GREATER NORTH FOUNDATION  
Statement of Operations  
Year Ended December 31, 2021

	Special Housing Projects		Lodges		Total
	2021	2020	2021	2020	
<b>REVENUE</b>					
Lodge Assistance Program grants			\$ 642,248	\$ 642,249	\$ 642,249
Other grants (Note 13)	42,602	42,127	538,996	510,599	581,598
Requisitions from Municipalities (Note 14)	-	-	1,242,599	1,008,709	1,008,709
Rental revenue	1,004,082	958,189	3,451,821	3,201,453	4,159,642
Other	14,353	16,213	-	-	14,353
Resident services	43,400	46,474	51,637	46,757	93,231
Non-resident services	8,341	5,440	70,253	72,765	78,205
	<u>1,112,778</u>	<u>1,068,443</u>	<u>5,997,554</u>	<u>5,482,532</u>	<u>6,550,975</u>
<b>OPERATING EXPENSES</b>					
Human resources	419,640	417,776	4,123,131	4,100,676	4,518,452
Food	-	-	649,052	605,125	605,125
Operating	55,246	49,420	226,007	206,961	256,381
Operating maintenance	402,990	415,058	270,703	240,882	673,693
Utilities	350,788	322,013	520,767	463,693	785,706
Taxes and land leases	232	232	100	100	332
Rent supplement	14,353	16,213	-	-	14,353
Administration (Note 15)	19,490	20,584	80,297	73,000	99,787
	<u>1,262,739</u>	<u>1,241,296</u>	<u>5,870,057</u>	<u>5,690,437</u>	<u>6,931,733</u>
	<u>(149,961)</u>	<u>(172,853)</u>	<u>127,497</u>	<u>(207,905)</u>	<u>(380,758)</u>

**REVENUE (UNDER) OPERATING EXPENSES**

Operating grant	149,961	172,853	-	-	172,853
Capital requisitions	-	-	-	749,156	749,156
Amortization of deferred contributions related to property and equipment	-	-	555,726	555,726	555,726
Amortization of property and equipment	-	-	(28,225)	(25,984)	(25,984)
Amortization of government funded property and equipment	-	-	(1,113,044)	(1,124,672)	(1,124,672)
Interest on long-term debt	-	-	-	(8,428)	(8,428)
	<u>149,961</u>	<u>172,853</u>	<u>(585,543)</u>	<u>145,798</u>	<u>318,651</u>
	<u>- \$</u>	<u>-</u>	<u>(458,046)</u>	<u>(62,107)</u>	<u>(62,107)</u>

**REVENUE UNDER EXPENSES**

**GREATER NORTH FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2021**

**INVESTED IN PROPERTY AND EQUIPMENT**

	Foundation Administration Board	Special Housing Projects	Pleasant Valley Lodge			Wildrose Villa	Lacalta Lodge	Total 2021	Total 2020
			Valley Lodge	Wildrose Villa	Lacalta Lodge				
BALANCE AT BEGINNING OF YEAR	\$ 3,867	\$ 1	\$ 3,538,321	\$ 81,101	\$ 4,798,342	\$ 8,421,632	\$ 8,421,632	\$ 8,275,961	
Property and equipment purchases	728	-	4,645	-	18,973	24,346	24,346	9,568	
Repayment of long-term debt	(2,364)	-	-	-	-	(2,364)	(2,364)	733,210	
Transfers	-	-	(230,341)	(41,750)	(313,452)	(585,543)	(585,543)	(2,177)	
Revenue under expenses	-	-	-	-	-	-	-	(594,930)	
BALANCE AT END OF YEAR	\$ 2,231	\$ 1	\$ 3,312,625	\$ 39,351	\$ 4,503,863	\$ 7,858,071	\$ 7,858,071	\$ 8,421,632	

**UNRESTRICTED**

	Foundation Administration Board	Special Housing Projects	Pleasant Valley Lodge			Wildrose Villa	Lacalta Lodge	Total 2021	Total 2020
			Valley Lodge	Wildrose Villa	Lacalta Lodge				
BALANCE AT BEGINNING OF YEAR	\$ 15,738	\$ -	\$ (377,950)	\$ (368,869)	\$ 68,103	\$ (662,978)	(455,200)	(9,568)	
Property and equipment purchases	(728)	-	(4,645)	-	(18,973)	(24,346)	(24,346)	(733,210)	
Repayment of long-term debt	-	-	-	-	-	-	-	2,177	
Transfers	2,364	-	-	-	-	2,364	2,364	2,177	
Revenue over expenses	-	-	49,786	42,526	35,185	127,497	127,497	532,823	
BALANCE AT END OF YEAR	\$ 17,374	\$ -	\$ (332,809)	\$ (326,343)	\$ 84,315	\$ (557,463)	(662,978)	(662,978)	

GREATER NORTH FOUNDATION  
Statement of Cash Flows  
Year Ended December 31, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Revenue under expenses	(458,046)	(62,107)
Items not affecting cash:		
Amortization of deferred contributions related to property and equipment	(555,726)	(555,726)
Amortization	1,141,269	1,150,656
	<u>127,497</u>	<u>532,823</u>
Changes in non-cash working capital items:		
Accounts receivable	43,367	(83,921)
Inventory	9,528	(8,350)
Prepaid expenses	2,151	(3,077)
Accounts payable and accrued liabilities	(83,904)	38,839
Security deposits	2,741	7,338
Deferred revenue	8,028	(20,871)
Deferred donations	100	-
Restricted capital reserve	78,406	62,200
Due to Alberta Seniors	22,889	(42,018)
	<u>83,306</u>	<u>(49,860)</u>
	210,803	482,963
<b>INVESTING ACTIVITY</b>		
Purchase of property and equipment	(24,346)	(9,568)
<b>FINANCING ACTIVITY</b>		
Repayment of long-term debt	-	(733,210)
<b>INCREASE (DECREASE) IN CASH</b>	186,457	(259,815)
Cash - beginning of year	247,935	507,750
<b>CASH - END OF YEAR</b>	<u>\$ 434,392</u>	<u>\$ 247,935</u>
<b>CASH FLOW SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ 5,969	\$ 2,548
Interest paid	\$ -	\$ 8,428
<b>CASH IS COMPRISED OF</b>		
Cash	\$ 702,592	\$ 561,490
Security deposit trust account	48,332	45,591
Bank indebtedness	(316,532)	(359,146)
	<u>\$ 434,392</u>	<u>\$ 247,935</u>

**GREATER NORTH FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

1. NATURE OF OPERATIONS

Greater North Foundation (the Foundation) is a not-for-profit organization operating and managing social programs aimed at providing affordable housing to low-income Albertans who are the most in need. The Foundation operates lodges and social housing projects in Athabasca, Lac La Biche, Boyle and their surrounding areas. The Foundation is also authorized to administer rent supplement programs on behalf of the government. These financial statements include the social housing and lodge operations. The Foundation is established as a management body by the provincial ministerial order and is governed by the Alberta Housing Act and its regulations. It qualifies as a not-for-profit organization as defined in the Income Tax Act (Canada) and, as such, is exempt from income taxes.

---

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting dates.

Goods and Services Tax receivable

Goods and Services Tax receivable is recorded as receivable based on the rebate refundable at the time of the expenditure.

Inventory

Inventory is measured at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property and equipment

Property and equipment is recorded at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives on the straight-line method at the following rates:

Buildings	25 years
Paving	10 years
Furniture and fixtures	5 years
Computer equipment	3 years

Buildings and land owned by the provincial government are not shown in the accounting records of the Foundation.

*(continues)*

---



**GREATER NORTH FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period. Grants received for the acquisition of property and equipment are deferred and amortized to revenue on the same basis as the related property and equipment.

Requisitions from Municipalities are made to cover the prior year's operating deficit.

Lodge Assistance Program grants are provided by the Government of Alberta based on the number of eligible residents on an annual basis.

Housing project operating grants are based on the approved current year budget and any operating surplus is required to be repaid to Alberta Seniors.

Rental revenue is accrued at the most recent authorized rental rates.

Resident and non-resident services are recognized as the services are provided and collection is reasonably assured.

Bad debts

Bad debts are written off by Board motion if they have been outstanding for greater than one year and are determined to be uncollectible.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date.

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 amounts reported in the financial statements. Significant estimates include collectibility of receivables, useful life of property and equipment, accrued liabilities and deferred contributions related to property and equipment. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

---

3. RESTRICTED CASH

The Foundation holds \$48,332 (2020--\$45,591) in a trust account as security deposits for current tenants.

---

**GREATER NORTH FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 143,966	\$ 184,846
Goods and Services Tax rebate	30,455	27,480
	<u>174,421</u>	<u>212,326</u>
Allowance for doubtful accounts	(14,421)	(8,959)
	<u>\$ 160,000</u>	<u>\$ 203,367</u>

During the year, the Foundation recorded bad debts of \$16,554 (2020--\$13,558). This amount is included in operating expenses.

**5. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 845,000	\$ -	\$ 845,000	\$ 845,000
Buildings	28,227,019	12,344,889	15,882,130	16,956,178
Paving	186,878	169,945	16,933	35,621
Furniture and fixtures	1,411,449	1,346,749	64,700	92,281
Computer equipment	36,543	30,201	6,342	5,312
	<u>\$ 30,706,889</u>	<u>\$ 13,891,784</u>	<u>\$ 16,815,105</u>	<u>\$ 17,934,392</u>

**6. OPERATING LOAN**

The Foundation has an authorized line of credit of \$1,000,000. The interest on the line of credit is at prime and is secured by a Province of Alberta order in Council. The line of credit balance at year end was \$56,307 (2020--\$129,553). Interest paid during the year \$1,987 (2020--\$175).

**GREATER NORTH FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	2021	2020
Accounts payable	\$ 309,871	\$ 344,533
Vacation payable	253,314	295,428
Salaries payable	109,751	122,148
Rents received in advance	9,600	5,750
Payroll deductions payable	7,914	8,859
	<u>\$ 690,450</u>	<u>\$ 776,718</u>

---

**8. RESTRICTED RESERVE**

The restricted reserve requires approval from Alberta Seniors for any expenditures.

---

**9. RESTRICTED CAPITAL RESERVE**

The Foundation has requisitioned funds to be set aside for capital repairs for the lodges. All expenditures must be approved by the Board. Capital reserves for administration \$18,152 (2020--\$18,046) and for Lodges \$359,300 (2020--\$281,000).

---

**10. CONTRIBUTED PROPERTIES**

Greater North Foundation received 3 properties from the Government of Alberta for \$1. The properties include 2 single family dwellings with a present value of \$216,170 and \$161,160 respectively at title transfer and a 10 unit condominium with a present value of \$1,168,480 at title transfer. The properties are currently being used as rental units in the same manner as they were prior to the transfer of title. The Foundation does have the option to sell these properties and invest the proceeds into future housing projects. The properties have been included in property and equipment at their fair value.

---

**11. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT**

Deferred contributions related to property and equipment represents contributions received to fund the cost of property and equipment additions. The contributions are deferred and amortized to revenue on the same basis as the related property and equipment.

	2021	2020
Balance at beginning of year	\$ 7,966,950	\$ 8,522,676
Amounts amortized	<u>(555,726)</u>	<u>(555,726)</u>
Balance at end of year	<u>\$ 7,411,224</u>	<u>\$ 7,966,950</u>

---

**GREATER NORTH FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

**12. EXTRAORDINARY EVENT**

In March 2020, the Government of Alberta declared a state of emergency related to the global COVID-19 pandemic. In order to prevent the spread of the virus, restrictions were put in place that required lockdowns of senior lodges, increased cleaning and other social distancing protocols be instituted. To assist with the added costs of these new health measures the Government of Alberta provided COVID Relief Rebates that were claimed to cover a portion of these costs.

**13. OTHER GRANTS**

Other grants consists of the following:

	<u>2021</u>	<u>2020</u>
COVID Relief Rebates	\$ 499,438	\$ 471,227
Capital Maintenance and Renewal Program grant	42,602	42,127
Alberta Health Services Grant	<u>39,558</u>	<u>39,372</u>
	<u>\$ 581,598</u>	<u>\$ 552,726</u>

**14. REQUISITIONS FROM MUNICIPALITIES**

Municipal requisitions for the year are as follows:

	<u>2021</u>	<u>2020</u>
Lac La Biche County	\$ 580,955	\$ 470,693
ID #349	314,061	258,035
Athabasca County	267,425	212,596
Town of Athabasca	47,057	38,717
Municipal District of Opportunity No. 17	46,199	36,133
Summer Village of Island Lake	12,626	9,396
Village of Boyle	11,581	9,668
Summer Village of Bondiss	7,213	5,601
Summer Village of Mewatha Beach	6,533	5,419
Summer Village of Whispering Hills	5,589	4,438
Summer Village of West Baptiste	3,987	3,099
Summer Village of Sunset Beach	3,840	2,942
Summer Village of Island Lake South	2,826	2,193
Summer Village of South Baptiste	2,307	1,979
Less capital reserves	<u>(69,600)</u>	<u>(52,200)</u>
	<u>\$ 1,242,599</u>	<u>\$ 1,008,709</u>

GREATER NORTH FOUNDATION  
Notes to Financial Statements  
Year Ended December 31, 2021

15. ADMINISTRATION EXPENSES

	2021	2020
Vehicle and travel	\$ 35,385	\$ 26,118
Professional fees	23,131	24,734
Office	19,720	19,063
Office equipment and repairs	10,381	12,754
Association fees	4,565	4,535
Board expenses	2,742	2,105
Other	2,480	1,303
IT services	1,383	2,972
	<u>\$ 99,787</u>	<u>\$ 93,584</u>

16. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, security deposits, accounts receivable, bank indebtedness, accounts payable and accrued liabilities.

The Foundation is exposed to the following risks through its financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation or there is a concentration of transactions carried out with the same party. The Foundation's main credit risk relates to accounts receivable. Accounts receivable are generally rent receivable from tenants and amounts due from government agencies. The Foundation's tenants are numerous which reduces the concentration of credit risk. It is management's opinion that there is no significant credit risk as of December 31, 2021.

Liquidity risk

Liquidity risk arises from the possibility that the Foundation might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk as of December 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk arising on its interest bearing assets.

**GREATER NORTH FOUNDATION**

**LODGE OPERATIONS**

**Year Ended December 31, 2021**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Greater North Foundation

**Opinion**

We have audited the accompanying financial statements of Greater North Foundation, Lodge operations (the Foundation), which comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greater North Foundation, Lodge Operations as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Opinion**

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

**Emphasis of Matter - Basis of Accounting and Restriction on Use**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared for the purpose of providing information to Alberta Seniors-Housing and only include lodge operations. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Board of Directors of Greater North Foundation and Alberta Seniors-Housing, and should not be used by parties other than the Board of Directors of the Foundation or Alberta Seniors-Housing.

**Responsibility of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or cease operations, or has no realistic alternative but to do so.

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

(continues)

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

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

- Identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
March 28, 2022

  
CHARTERED PROFESSIONAL ACCOUNTANTS



GREATER NORTH FOUNDATION  
(Lodge Operations)  
Statement of Financial Position  
December 31, 2021

2021

	Foundation Administration Board	Pleasant Valley Lodge	Wildrose Villa	Lacalfta Lodge	Total	2020 Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ 296,746	\$ 296,746	\$ 277,908
Accounts receivable (Note 3)	395	41,848	37,149	58,275	137,667	183,689
Inventory	-	6,741	15,610	9,588	31,939	41,467
Prepaid expenses	49,447	923	2,178	9,369	61,917	64,068
Interfund accounts	143,185	28,384	19,537	11,662	202,768	70,704
	193,027	77,896	74,474	385,640	731,037	637,836
<b>PROPERTY AND EQUIPMENT (Note 4)</b>	2,231	7,306,127	39,351	7,921,585	15,269,294	16,388,581
	\$ 195,258	\$ 7,384,023	\$ 113,825	\$ 8,307,225	\$ 16,000,331	\$ 17,026,417

**LIABILITIES**

<b>CURRENT LIABILITIES</b>						
Bank indebtedness	\$ 81,217	83,711	151,604	-	\$ 316,532	\$ 359,146
Accounts payable and accrued liabilities (Note 6)	76,284	210,255	135,739	165,012	587,290	635,496
Deferred revenue	-	-	1,874	3,313	5,187	5,187
Deferred donations	-	1,939	100	-	2,039	1,939
Restricted capital reserve (Note 7)	18,152	114,800	111,500	133,000	377,452	299,046
	175,653	410,705	400,817	301,325	1,288,500	1,300,814

**DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 8)**

	-	3,993,502	-	3,417,722	7,411,224	7,966,950
	175,653	4,404,207	400,817	3,719,047	8,699,724	9,267,764

**NET ASSETS**

Invested in property and equipment	2,231	3,312,625	39,351	4,503,863	7,858,070	8,421,631
Unrestricted	17,374	(332,809)	(326,343)	84,315	(557,463)	(662,978)
	19,605	2,979,816	(286,992)	4,588,178	7,300,607	7,758,653
	\$ 195,258	\$ 7,384,023	\$ 113,825	\$ 8,307,225	\$ 16,000,331	\$ 17,026,417

APPROVED BY THE BOARD

Director  
Director

GREATHER NORTH FOUNDATION  
(Lodge Operations)  
Statement of Operations  
Year Ended December 31, 2021

	Pleasant Valley Lodge		Wildrose Villa		Lacalita Lodge		Consolidated Lodge Totals	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>								
Lodge Assistance Program grants	\$ 246,276	\$ 246,276	\$ 149,698	\$ 149,697	\$ 246,276	\$ 246,276	\$ 642,248	\$ 642,249
Other grants (Note 10)	138,320	147,873	249,426	236,119	151,250	126,607	538,996	510,599
Requisitions from Municipalities (Note 11)	444,642	379,967	518,338	469,282	279,619	159,460	1,242,599	1,008,709
Rental revenue	1,149,273	1,088,715	1,117,741	1,000,866	1,184,807	1,111,872	3,451,821	3,201,453
Resident services	18,657	18,018	13,398	11,890	19,582	16,849	51,637	46,757
Non-resident services	27,167	35,080	15,957	14,644	27,129	23,041	70,253	72,765
	<b>2,024,335</b>	<b>1,915,929</b>	<b>2,064,556</b>	<b>1,882,498</b>	<b>1,908,663</b>	<b>1,684,105</b>	<b>5,997,554</b>	<b>5,482,532</b>
<b>OPERATING EXPENSES</b>								
Human resources	1,366,475	1,418,024	1,401,283	1,378,756	1,335,373	1,303,896	4,123,131	4,100,676
Food	230,087	217,989	196,747	180,103	220,218	207,033	649,052	605,125
Operating	82,051	77,171	65,912	57,193	78,044	72,697	226,007	206,961
Operating maintenance	73,345	82,294	119,917	100,288	77,441	58,300	270,703	240,882
Utilities	175,675	159,685	209,092	180,805	136,000	123,203	520,767	463,693
Taxes and land leases	-	-	-	-	100	100	100	100
Administration	26,916	22,484	27,079	25,288	26,302	25,228	80,297	73,000
	<b>1,974,549</b>	<b>1,977,647</b>	<b>2,022,030</b>	<b>1,922,433</b>	<b>1,873,478</b>	<b>1,790,357</b>	<b>5,870,057</b>	<b>5,690,437</b>
	<b>49,786</b>	<b>(61,718)</b>	<b>42,526</b>	<b>(39,935)</b>	<b>35,185</b>	<b>(106,252)</b>	<b>127,497</b>	<b>(207,905)</b>
<b>REVENUE OVER (UNDER) OPERATING EXPENSES</b>								
<b>OTHER REVENUE AND EXPENSES</b>								
Capital requisitions and capital donations	-	299,662	-	-	-	449,494	-	749,156
Amortization of deferred contributions related to property and equipment	295,815	295,815	-	-	259,911	259,911	555,726	555,726
Amortization of property and equipment	(3,777)	(2,956)	(9,279)	(9,121)	(15,169)	(13,907)	(28,225)	(25,984)
Amortization of government funded property and equipment	(522,379)	(522,379)	(32,471)	(44,098)	(558,194)	(558,195)	(1,113,044)	(1,124,672)
Interest on long-term debt	-	(3,371)	-	-	-	(5,057)	-	(8,428)
	<b>(230,341)</b>	<b>66,771</b>	<b>(41,750)</b>	<b>(53,219)</b>	<b>(313,452)</b>	<b>132,246</b>	<b>(585,543)</b>	<b>145,798</b>
	<b>(180,555)</b>	<b>5,053</b>	<b>776</b>	<b>(93,154)</b>	<b>(278,267)</b>	<b>25,994</b>	<b>(458,046)</b>	<b>(62,107)</b>

GREATER NORTH FOUNDATION  
(Lodge Operations)  
Statement of Changes in Net Assets  
Year Ended December 31, 2021

INVESTED IN PROPERTY AND EQUIPMENT

Foundation Administration Board	Pleasant Valley Lodge		Wildrose Villa		Lacalta Lodge		Total	
							2021	2020
\$	3,867	\$ 3,538,321	\$ 81,101	\$ 4,798,342	\$ 8,421,631	\$	8,275,960	
	728	4,645	-	18,973	24,346		9,568	
	(2,364)	-	-	-	(2,364)		733,210	
	-	(230,341)	(41,750)	(313,452)	(585,543)		(2,177)	
<b>\$</b>	<b>2,231</b>	<b>\$ 3,312,625</b>	<b>\$ 39,351</b>	<b>\$ 4,503,863</b>	<b>\$ 7,858,070</b>	<b>\$</b>	<b>8,421,631</b>	

BALANCE AT BEGINNING OF YEAR  
Property and equipment purchases  
Repayment of long-term debt  
Transfers  
Revenue under expenses

BALANCE AT END OF YEAR

UNRESTRICTED

Foundation Administration Board	Pleasant Valley Lodge		Wildrose Villa		Lacalta Lodge		Total	
							2021	2020
\$	15,738	\$ (377,950)	\$ (368,869)	\$ 68,103	\$ (662,978)	\$	(455,200)	
	(728)	(4,645)	-	(18,973)	(24,346)		(9,568)	
	2,364	-	-	-	2,364		(733,210)	
	-	49,786	42,526	35,185	127,497		532,823	
<b>\$</b>	<b>17,374</b>	<b>\$ (332,809)</b>	<b>\$ (326,343)</b>	<b>\$ 84,315</b>	<b>\$ (557,463)</b>	<b>\$</b>	<b>(662,978)</b>	

BALANCE AT BEGINNING OF YEAR  
Property and equipment purchases  
Repayment of long-term debt  
Transfers  
Revenue over (under) expenses

BALANCE AT END OF YEAR

GREATER NORTH FOUNDATION  
(Lodge Operations)  
Statement of Cash Flows  
Year Ended December 31, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Revenue over (under) expenses	\$ (458,046)	(62,107)
Items not affecting cash:		
Amortization of deferred contributions related to property and equipment	(555,726)	(555,726)
Amortization	1,141,269	1,150,656
	<u>127,497</u>	<u>532,823</u>
Changes in non-cash working capital items:		
Accounts receivable	46,022	(107,102)
Inventory	9,528	(8,350)
Prepaid expenses	2,151	(3,077)
Interfund account	(132,064)	48,100
Accounts payable and accrued liabilities	(45,842)	51,909
Deferred revenue	8,700	(12,087)
Deferred donations	100	-
Restricted capital reserve	69,706	62,200
	<u>(41,699)</u>	<u>31,593</u>
	<u>85,798</u>	<u>564,416</u>
<b>INVESTING ACTIVITY</b>		
Purchase of property and equipment	(24,346)	(9,568)
<b>FINANCING ACTIVITY</b>		
Repayment of long-term debt	-	(733,210)
<b>INCREASE (DECREASE) IN CASH</b>	61,452	(178,362)
Cash (deficiency) - beginning of year	(81,238)	97,124
<b>CASH (DEFICIENCY) - END OF YEAR</b>	<u>\$ (19,786)</u>	<u>(81,238)</u>
<b>CASH FLOW SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ 5,969	\$ 2,548
Interest paid	\$ -	\$ 8,428
<b>CASH (DEFICIENCY) CONSISTS OF</b>		
Cash	\$ 296,746	\$ 277,908
Bank indebtedness	(316,532)	(359,146)
	<u>\$ (19,786)</u>	<u>(81,238)</u>

**GREATER NORTH FOUNDATION**  
*(Lodge Operations)*  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

1. NATURE OF OPERATIONS

Greater North Foundation (the Foundation) is a not-for-profit organization operating and managing social programs aimed at providing affordable housing to low-income Albertans who are the most in need. The Foundation operates lodges and social housing projects in Athabasca, Lac La Biche, Boyle and their surrounding areas. The Foundation is also authorized to administer rent supplement programs on behalf of the government. These financial statements include the lodge operations only. The Foundation is established as a management body by the provincial ministerial order and is governed by the Alberta Housing Act and its regulations. It qualifies as a not-for-profit organization as defined in the Income Tax Act (Canada) and, as such, is exempt from income taxes.

---

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting dates.

Goods and Services Tax receivable

Goods and Services Tax receivable is recorded as receivable based on the rebate refundable at the time of the expenditure.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property and equipment

Property and equipment is recorded at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives on the straight-line method at the following rates:

Buildings	25 years
Paving	10 years
Furniture and fixtures	5 years
Computer equipment	3 years

Buildings and land owned by the provincial government are not shown in the accounting records of the Foundation.

*(continues)*

---

GREATER NORTH FOUNDATION  
(Lodge Operations)  
Notes to Financial Statements  
Year Ended December 31, 2021

---

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period. Grants received for the acquisition of property and equipment are deferred and amortized to revenue on the same basis as the related property and equipment.

Requisitions from Municipalities are made to cover the prior year's operating deficit.

Lodge Assistance Program grants are provided by the Government of Alberta based on the number of eligible residents on an annual basis.

Rental revenue is accrued at the most recent authorized rental rates.

Residential and non-residential rent is recognized as services are performed and collection is reasonably assured.

Bad debts

Bad debts are written off by Board motion if they have been outstanding for greater than one year and are determined to be uncollectible.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date.

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 amounts reported in the financial statements. Significant estimates include collectibility of receivables, useful life of property and equipment, accrued liabilities and deferred contributions related to property and equipment. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

---

**GREATER NORTH FOUNDATION**  
**(Lodge Operations)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

	2021	2020
Accounts receivable	\$ 122,248	\$ 169,936
Goods and Services Tax rebate	15,419	13,753
	<u>\$ 137,667</u>	<u>\$ 183,689</u>

During the year, the Foundation recorded bad debts of \$2,032 (2020--\$4,599). This amount is included in operating expenses.

**4. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 675,000	\$ -	\$ 675,000	\$ 675,000
Buildings	26,851,209	12,344,889	14,506,320	15,580,368
Paving	186,878	169,945	16,933	35,621
Furniture and fixtures	1,411,448	1,346,749	64,699	92,280
Computer equipment	36,543	30,201	6,342	5,312
	<u>\$ 29,161,078</u>	<u>\$ 13,891,784</u>	<u>\$ 15,269,294</u>	<u>\$ 16,388,581</u>

**5. OPERATING LOAN**

The Foundation has an authorized line of credit of \$1,000,000. The interest on the line of credit is at prime and is secured by a Province of Alberta Order in Council. The line of credit balance at year end was \$56,307 (2020--\$129,553). Interest paid during the year \$1,987 (2020--\$175).

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	2021	2020
Accounts payable	\$ 244,177	\$ 253,490
Vacation payable	233,659	258,840
Salaries payable	101,664	114,614
Payroll deductions payable	7,790	8,552
	<u>\$ 587,290</u>	<u>\$ 635,496</u>

**GREATER NORTH FOUNDATION**  
**(Lodge Operations)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

**7. RESTRICTED CAPITAL RESERVE**

The Foundation has requisitioned funds to be set aside for capital repairs for the lodges. All expenditures must be approved by the Board. Capital reserves for Administration \$18,152 (2020--\$18,046) and capital reserves for Lodges \$359,300 (2020--\$281,000).

---

**8. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT**

Deferred contributions related to property and equipment represents contributions received to fund the cost of property and equipment additions. The contributions are deferred and amortized to revenue on the same basis as the related property and equipment.

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 7,966,950	\$ 8,522,676
Amounts amortized	<u>(555,726)</u>	<u>(555,726)</u>
Balance at end of year	<u>\$ 7,411,224</u>	<u>\$ 7,966,950</u>

---

**9. EXTRAORDINARY EVENT**

In March 2020, the Government of Alberta declared a state of emergency related to the global COVID-19 pandemic. In order to prevent the spread of the virus, restrictions were put in place that required lockdowns of senior lodges, increased cleaning and other social distancing protocols be instituted. To assist with the added costs of these new health measures the Government of Alberta provided COVID Relief Rebates that were claimed to cover a portion of these costs.

---

**10. OTHER GRANTS**

Other grants consists of the following:

	<u>2021</u>	<u>2020</u>
COVID Relief Rebates	\$ 499,438	\$ 471,227
Alberta Health Services Grant	39,558	39,372
Lodge Renewal Grant	-	-
	<u>\$ 538,996</u>	<u>\$ 510,599</u>

---



GREATER NORTH FOUNDATION  
(Lodge Operations)  
Notes to Financial Statements  
Year Ended December 31, 2021

---

11. REQUISITIONS FROM MUNICIPALITIES

Municipal requisitions for the year are as follows:

	<u>2021</u>	<u>2020</u>
Lac La Biche County	\$ 580,955	\$ 470,693
ID #349	314,061	258,035
Athabasca County	267,425	212,596
Town of Athabasca	47,057	38,717
Municipal District of Opportunity No. 17	46,199	36,133
Summer Village of Island Lake	12,626	9,396
Village of Boyle	11,581	9,668
Summer Village of Bondiss	7,213	5,601
Summer Village of Mewatha Beach	6,533	5,419
Summer Village of Whispering Hills	5,589	4,438
Summer Village of West Baptiste	3,987	3,099
Summer Village of Sunset Beach	3,840	2,942
Summer Village of Island Lake South	2,826	2,193
Summer Village of South Baptiste	2,307	1,979
Less capital reserves	<u>(69,600)</u>	<u>(52,200)</u>
	<u>\$ 1,242,599</u>	<u>\$ 1,008,709</u>

---

**GREATER NORTH FOUNDATION**  
*(Lodge Operations)*  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

**12. FINANCIAL INSTRUMENTS**

The Foundation's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities.

The Foundation is exposed to the following risks through its financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation or there is a concentration of transactions carried out with the same party. The Foundation's main credit risk relates to accounts receivable. Accounts receivable are generally rent receivable from tenants and amounts due from government agencies. The Foundation's tenants are numerous which reduces the concentration of credit risk. It is management's opinion that there is no significant credit risk of December 31, 2021.

Liquidity risk

Liquidity risk arises from the possibility that the Foundation might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk as of December 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk arising on its interest bearing assets.

---

GREATER NORTH FOUNDATION  
(Lodge Operations)

Wildrose Villa DAL Units

(Schedule 1)

Year Ended December 31, 2021

	2021	2020
<b>REVENUE</b>		
Rental revenue	\$ 529,372	\$ 520,254
Other grants	90,669	80,085
Resident services	4,662	4,459
Non-resident services	4,077	4,189
	<u>628,780</u>	<u>608,987</u>
<b>EXPENSES</b>		
Human resources	254,461	260,328
Utilities	78,182	67,116
Food	75,511	68,060
Operating maintenance	40,031	31,261
Operating	26,406	25,126
Amortization of government funded property and equipment	15,865	20,223
Administration	8,855	8,257
	<u>499,311</u>	<u>480,371</u>
<b>REVENUE OVER EXPENSES</b>	<u>\$ 129,469</u>	<u>\$ 128,616</u>