

Parkland Foundation
Statement of Financial Position
As At December 31, 2016

	Lodges	Self Contained	2016	2015 (Restated)
Assets				
Current				
Cash and cash equivalents	\$ 765,823	\$ 198,326	\$ 964,149	\$ 646,212
Temporary investments (Note 8)	56,465	-	56,465	56,465
Accounts receivable (Note 3)	53,387	28,821	82,208	27,559
Prepaid expenses	<u>6,107</u>	<u>-</u>	<u>6,107</u>	<u>-</u>
	881,782	227,147	1,108,929	730,236
 Tangible capital assets (Note 4)	 <u>115,305</u>	 <u>399</u>	 <u>115,704</u>	 <u>122,802</u>
 Total Assets	 <u>\$ 997,087</u>	 <u>\$ 227,546</u>	 <u>\$ 1,224,633</u>	 <u>\$ 853,038</u>
Liabilities				
Current				
Accounts payable and accruals (Note 5)	\$ 243,872	\$ 209,547	\$ 453,419	\$ 218,348
Unearned income	-	-	-	4,468
Deferred contributions (Note 6)	<u>18,330</u>	<u>-</u>	<u>18,330</u>	<u>-</u>
	<u>\$ 262,202</u>	<u>\$ 209,547</u>	<u>\$ 471,749</u>	<u>\$ 222,816</u>
Net Assets				
Unrestricted net assets	\$ 581,445	\$ -	\$ 581,445	\$ 439,994
Internally restricted net assets (Note 8)	56,465	-	56,465	49,826
Externally restricted net assets (Note 12)	-	17,600	17,600	17,600
Net assets invested in capital assets	<u>96,975</u>	<u>399</u>	<u>97,374</u>	<u>122,802</u>
	<u>734,885</u>	<u>17,999</u>	<u>752,884</u>	<u>630,222</u>
 Total Liabilities and Net Assets	 <u>\$ 997,087</u>	 <u>\$ 227,546</u>	 <u>\$ 1,224,633</u>	 <u>\$ 853,038</u>

Parkland Foundation
Statement of Changes in Net Assets
For the Year Ended December 31, 2016

	2016				2015		
	Unrestricted Net Assets Lodge	Unrestricted Net Assets Self Contained	Externally Restricted Net Assets (Note 12)	Internally Restricted Net Assets (Note 8)	Net Assets Invested In Capital Assets	Total Net Assets	Total (Restated)
Beginning balance	\$ 439,994	\$ -	\$ 17,600	\$ 137,597	\$ 122,802	\$ 717,993	\$ 550,518
Prior period adjustment (Note 13)	-	-	-	(87,771)	-	(87,771)	-
Beginning Balance as restated	439,994	-	17,600	49,826	122,802	630,222	550,518
Excess (deficiency) of revenue over expense	122,764	-	-	-	-	122,764	167,476
Lodge							
Self Contained		20,202	-	-	-	20,202	
Amortization of tangible capital assets	6,998	100	-	-	(7,098)	-	-
Purchase of capital assets net of contributions	31,823	-	-	-	(31,823)	-	-
Amortization of deferred capital contributions	(13,493)	-	-	-	13,493	-	-
Self Contained surplus payable to Alberta Housing & Urban Affairs	-	(20,302)	-	-	-	(20,302)	(87,771)
Transfers (Note 8)	(6,639)	-	-	6,639	-	-	-
Ending balance	\$ 581,444	\$ -	\$ 17,600	\$ 56,465	\$ 97,374	\$ 752,884	\$ 630,221

Parkland Foundation
Statement of Operations
For the Year Ended December 31, 2016

	2016	2016	2016	2015
	Lodge	Self Contained	Combined	(Restated) Actual
Revenue				
Accommodation	\$ 860,160	\$ 458,646	\$ 1,318,806	\$ 1,315,890
Recoveries	58,214	63,313	121,527	129,721
Grants - Alberta Seniors	173,586	-	173,586	219,630
Donations and fundraising	1,400	-	1,400	4,100
Interest and miscellaneous	2,247	8,500	10,746	5,111
Amortization of deferred contributions	<u>13,493</u>	<u>-</u>	<u>13,493</u>	<u>-</u>
	<u>1,109,100</u>	<u>530,459</u>	<u>1,639,558</u>	<u>1,674,452</u>
Expenses				
Amortization	6,998	100	7,098	8,697
Buildings and ground maintenance	87,019	133,643	220,664	258,768
Equipment and appliances	2,720	26,678	29,399	19,866
Management Fees	62,640	41,760	104,400	100,977
Insurance	18,322	-	18,321	21,501
Food and kitchen	149,853	-	149,853	159,602
Laundry and cleaning	4,632	-	4,632	1,484
Office	16,852	15,649	32,501	29,862
Professional fees	4,210	10,740	14,950	37,295
Travel, training and conferences	2,909	14,712	17,622	11,683
Utilities	99,542	124,655	224,197	235,303
Wages	<u>685,839</u>	<u>142,320</u>	<u>828,159</u>	<u>777,170</u>
	<u>1,141,536</u>	<u>510,257</u>	<u>1,651,796</u>	<u>1,662,208</u>
(Deficiency) excess of revenue over expenses before requisition and other item	(32,436)	20,202	(12,238)	12,244
Requisition (Note 10)	<u>155,200</u>	<u>-</u>	<u>155,200</u>	<u>155,232</u>
Excess of revenue over expenses	<u>\$ 122,764</u>	<u>\$ 20,202</u>	<u>\$ 142,962</u>	<u>\$ 167,476</u>

Parkland Foundation
Statement of Cash Flows
For the Year Ended December 31, 2016

	2016	2015 (Restated)
Cash provided (used) by operating activities:		
Deficiency of revenue over expenses	\$ 142,962	\$ 167,476
Items not involving cash:		
Amortization of tangible capital assets	7,098	8,697
Amortization of deferred capital contributions	<u>(13,493)</u>	<u>-</u>
	136,567	176,173
 Changes in operating net assets:		
Accounts receivable	(54,649)	16,032
Prepays	(6,107)	-
Deferred contributions	-	-
Accounts payable and accrued liabilities	235,071	87,236
Unearned income	(4,468)	4,468
ASHC payment	<u>(20,302)</u>	<u>(87,771)</u>
	<u>286,112</u>	<u>196,138</u>
 Cash provided (used) by financing activities:		
Capital contributions received	<u>31,823</u>	<u>-</u>
 Increase (decrease) in cash during the year	317,935	196,138
 Cash - beginning of year	<u>646,211</u>	<u>450,073</u>
 Cash - end of year	<u>\$ 964,146</u>	<u>\$ 646,211</u>

Parkland Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2016

1. Nature of operations:

The Parkland Foundation (Parkland) was established as a management body by Ministerial Order, Pursuant to the Alberta Housing Act. It is responsible for the operation and administration of Westview Manor, Penhold Royal Manor, Dodds Lake Manor, Bow Glen Court, Poplar Grove Court and Rural and Native Housing Units. The Management Body owns and operates the Autumn Glen Lodge in Innisfail, Alberta. The purpose of the Parkland Foundation is to promote, develop, provide and manage affordable housing which encourages a high quality of life for its residents. The Parkland Foundation is exempt from income tax.

Parkland is a government not-for-profit organization (GNFPO) that is defined as a government organization that meets the definition of a not-for-profit organization and has counterparts outside the public sector.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations set out in the CPA Canada Public Sector (PSA) Handbook. Parkland is a GNFPO that has elected to follow the standards for not-for-profit organizations in the CPA Canada PSA Handbook.

a) Use of Estimates

The preparation of these statements requires the organization 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 statements, and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates include estimated useful lives of property and equipment. Actual results could differ from these estimates.

b) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions, including accomodation, meal revenues, and recoveries, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related acquired capital assets.

Parkland Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2016

2. Significant accounting policies (continued)

b) Revenue Recognition (continued)

Provincial government grants are recognized as revenue in the year in which the related expenses are incurred. Requisition revenue is recognized as income in the year for which the funding is requisitioned.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and guaranteed investment certificates with maturities of 3 months or less.

d) Contributed materials and services

Contributed materials and services are recognized at their fair value in the financial statements when the amount 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. Volunteers contribute several hours per year to assist the Foundation in carrying out its operational activities. Because of the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

e) Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date. When fair value cannot be reasonably determined, the tangible capital asset is recorded at a nominal value. These assets are then amortized over the estimated useful life of each asset on the following basis:

Buildings	40 years	Straight-line method
Equipment	20%	Declining balance

When a capital 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. Any write-downs recognized are not reversed.

f) Financial Instruments

Initial measurement

The Foundations financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred..

Parkland Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2016

f) Financial Instruments (continued)

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash and cash equivalents, temporary investments, accounts receivable, accounts payable and accruals.

With respect to financial assets measured at amortized cost, the Foundation assesses whether there are any indications of impairment. When there is a indication of impairment, and if the management body determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

3. **Accounts receivable**

	2016	2015
Resident and tenant receivables	\$ 4,362	\$ 394
GST recoverable	55,023	27,165
Grant receivable	<u>22,823</u>	<u>-</u>
	<u>\$ 82,208</u>	<u>\$ 27,559</u>

4. **Tangible capital assets**

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 831,069	\$ 740,943	\$ 90,126	\$ 90,829
Equipment	<u>72,358</u>	<u>46,779</u>	<u>25,579</u>	<u>31,973</u>
	<u>\$ 903,427</u>	<u>\$ 787,722</u>	<u>\$ 115,704</u>	<u>\$ 122,802</u>

5. **Accounts payable and accrued liabilities**

	2016	2015 (Restated)
Accounts payable	\$ 86,139	\$ 77,533
Amounts due to related parties	246,172	34,573
Payable to ASHC	20,302	87,771
Salary and vacation benefits payable	<u>100,806</u>	<u>18,470</u>
	<u>\$ 453,419</u>	<u>\$ 218,348</u>

6. Deferred contributions

	2016	2015
Deferred balance, beginning on the year	\$ -	\$ -
Add: contributions received	31,823	-
Less: amortization	<u>(13,493)</u>	<u>-</u>
Deferred balance, end of year	<u>\$ 18,330</u>	<u>\$ -</u>

7. Related party transactions

The Bethany Nursing Home of Camrose, Alberta acts as Chief Administrative Officer (CAO) for Parkland providing management, administrative, and operating support for the organization.

Bethany Nursing Home of Camrose, Alberta collects accommodation fees and pays all expenditures on behalf of the lodges and is reimbursed monthly. As at December 31, 2016, the amount due from (to) the management body for expenditures incurred for the lodges amounted to \$(246,172) (2015 - (\$NIL) This amount is included in Note 5 (Accounts Payable.)

The lodge paid \$62,640 (2015 - \$52,822) and housing paid \$41,760 (2015 - \$48,155) for shared administrative services to Bethany Nursing Home of Camrose, Alberta for the year ended December 31, 2016. These transactions were in the normal course of operations and were recorded at the exchange amount, which is the amount agreed upon by the related parties.

8. Net assets internally restricted

Internally restricted funds are not available for unrestricted purposes without the approval of the Parkland Foundation Board of Directors. \$56,465 comprised of past donations is restricted for future capital or operating expenses for the benefit of Autumn Glen Lodge and its residents, and currently there is a matching amount held in a trust account at the bank.

Parkland Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2016

9. Financial instruments

The organization maintains a risk management framework to monitor, evaluate, and manage the principal risks assumed with financial instruments. The risks that arise from financial instruments include liquidity and market risk; market risk arises from changes in interest rates and other price risks.

Market risk

The organization's financial instruments expose it to market risk, in particular interest rate risk and other price risk, resulting from its operations. There has been no significant change in risk from the prior year.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization does not use derivative financial instruments to alter the effects of this risk.

Liquidity risk

Liquidity risk is the risk that the organization may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The organization's exposure to liquidity risk is dependent on the receipt of funds from a variety of sources, whether in the form of revenue or advances. There has been no significant change in risk from the prior year.

10. Municipal requisitions

	2016	2015
County of Red Deer	\$ 123,104	\$ 123,620
Town of Innisfail	21,435	21,276
Town of Penhold	6,433	6,119
Town of Bowden	2,150	2,133
Village of Delburne	1,610	1,612
Village of Elnora	<u>468</u>	<u>472</u>
	<u>\$ 155,200</u>	<u>\$ 155,232</u>

Parkland Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2016

11. Comparative figures

Comparative figures have been adjusted to conform to changes in current year presentation.

12. Externally restricted net assets

Externally restricted funds are not available for unrestricted purposes without the approval of Alberta Social Housing. \$17,600 is restricted for self contained housing future cash flow, emergency repair and replacement items.

13. Prior Period Restatement

In the 2015 fiscal year \$87,771 of surplus has been reclassified to a payable impacting the prior year comparables for the balance sheet, income statement, statement of net assets and Note #5.