

ROCKY VIEW FOUNDATION

**NON-CONSOLIDATED
FINANCIAL STATEMENTS**

DECEMBER 31, 2022

ROCKY VIEW FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of:

Rocky View Foundation:

Opinion

We have audited the non-consolidated financial statements of Rocky View Foundation (the "Foundation"), which comprise of the non-consolidated statement of financial position as at Saturday, December 31, 2022, and non-consolidated statements of operations and changes in fund balances, changes in fund balances, cash flows and schedules for the year then ended, and the notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of Rocky View Foundation as at Saturday, December 31, 2022, and its financial performance and its cash flows for the year ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis of 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 non-consolidated 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 non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

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

In preparing the non-consolidated financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to 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.

Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 the users taken on the basis of these non-consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Report on Other Legal and Regulatory Requirements

- Standards Regulation:

We confirm that the Foundation is in compliance with standard regulations and note that the information required can be found in Note 1.

A handwritten signature in black ink that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke that extends to the right and then curves upwards. The word "Ascend" is written in a cursive, handwritten style.

HANNA, ALBERTA
MARCH 29, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

The logo for Ascend LLP. It features a stylized "A" composed of three overlapping triangles in blue, green, and red. To the right of the "A" is the word "Ascend" in a bold, sans-serif font, followed by "LLP" in a smaller font. Below the main text is the tagline "Chartered Professional Accountants" in a smaller, sans-serif font.

Ascend LLP
Chartered Professional Accountants

ROCKY VIEW FOUNDATION
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

ASSETS

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Reserve Funds</u>	<u>2022</u>	<u>2021</u>
CURRENT					
Cash and cash equivalents (Note 3)	\$ 124,514	\$ -	\$ 682,110	\$ 806,624	\$ 1,201,961
Security trust account (Note 4)	49,762	-	-	49,762	49,324
Accounts receivable (Note 5)	56,920	-	-	56,920	268,887
Due from Foundation Social Housing Projects	23,197	-	-	23,197	15,046
Goods and services tax recoverable	61,899	-	-	61,899	22,243
Prepaid expenses and deposits	<u>32,197</u>	<u>-</u>	<u>-</u>	<u>32,197</u>	<u>29,811</u>
	348,489	-	682,110	1,030,599	1,587,272
TANGIBLE CAPITAL ASSETS (Note 6)	<u>-</u>	<u>17,632,130</u>	<u>-</u>	<u>17,632,130</u>	<u>17,920,250</u>
	<u>\$ 348,489</u>	<u>\$ 17,632,130</u>	<u>\$ 682,110</u>	<u>\$ 18,662,729</u>	<u>\$ 19,507,522</u>

LIABILITIES


CURRENT					
Operating lines of credit (Note 7)	\$ 224,764	\$ -	\$ -	\$ 224,764	\$ 64,321
Demand loans (Note 8)	-	9,955,770	-	9,955,770	10,326,601
Accounts payable and accrued liability (Note 9)	380,076	-	-	380,076	169,859
Security deposits payable	46,926	-	-	46,926	46,126
Deferred revenue (Note 10)	<u>17,524</u>	<u>-</u>	<u>-</u>	<u>17,524</u>	<u>24,024</u>
	669,290	9,955,770	-	10,625,060	10,630,931
DEFERRED CONTRIBUTIONS (Note 11)	<u>-</u>	<u>5,384,641</u>	<u>-</u>	<u>5,384,641</u>	<u>5,656,157</u>
	<u>669,290</u>	<u>15,340,411</u>	<u>-</u>	<u>16,009,701</u>	<u>16,287,088</u>

FUND BALANCES

INVESTED IN TANGIBLE CAPITAL ASSETS	-	2,291,719	-	2,291,719	1,937,492
INTERNALLY RESTRICTED RESERVES UNRESTRICTED	<u>(320,801)</u>	<u>-</u>	<u>682,110</u>	<u>682,110</u>	<u>668,110</u>
	<u>(320,801)</u>	<u>2,291,719</u>	<u>682,110</u>	<u>2,653,028</u>	<u>614,832</u>
	<u>\$ 348,489</u>	<u>\$ 17,632,130</u>	<u>\$ 682,110</u>	<u>\$ 18,662,729</u>	<u>\$ 19,507,522</u>

COMMITMENT (Note 12)

APPROVED BY THE BOARD:

 Director
 _____ Director

ROCKY VIEW FOUNDATION

NON-CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Reserve Funds</u>	<u>2022</u>	<u>2021</u>
REVENUES					
Rental accommodation (Schedule 1)	\$ 2,232,994	\$ -	\$ -	\$ 2,232,994	\$ 2,281,076
Requisitions (Schedule 1)	1,988,016	-	-	1,988,016	1,988,016
Lodge funding (Schedule 1)	479,169	-	-	479,169	707,350
Other income (Schedule 1)	291,240	-	-	291,240	131,256
Interest income	-	-	14,000	14,000	2,955
Amortization of deferred contributions (Note 11)	-	280,238	-	280,238	281,607
	<u>4,991,419</u>	<u>280,238</u>	<u>14,000</u>	<u>5,285,657</u>	<u>5,392,260</u>
EXPENDITURES (Schedule 1)					
Wages, salaries and benefits	2,666,581	-	-	2,666,581	2,657,326
Food supplies	536,222	-	-	536,222	440,412
Utilities	504,971	-	-	504,971	447,840
Maintenance	311,249	-	-	311,249	296,628
Operating expenses	85,380	-	-	85,380	86,130
Administration	206,497	-	-	206,497	178,209
Interest on demand loans	464,158	-	-	464,158	205,448
	<u>4,775,058</u>	<u>-</u>	<u>-</u>	<u>4,775,058</u>	<u>4,311,993</u>
Administrative expenses:					
Salaries and benefits	425,199	-	-	425,199	379,610
Office	18,305	-	-	18,305	17,985
Occupancy	73,292	-	-	73,292	68,818
Other	22,102	-	-	22,102	21,411
Other expenses:					
Bragg Creek operating expenses	10,981	-	-	10,981	2,923
	<u>549,879</u>	<u>-</u>	<u>-</u>	<u>549,879</u>	<u>490,747</u>
Amortization	-	528,126	-	528,126	528,163
	<u>5,324,937</u>	<u>528,126</u>	<u>-</u>	<u>5,853,063</u>	<u>5,330,903</u>
(Deficiency) excess of revenues over expenditures	(333,518)	(247,888)	14,000	(567,406)	61,357
Interfund transfers (Note 15)	(602,115)	602,115	-	-	-
CHANGE IN FUND BALANCE	<u>\$ (935,633)</u>	<u>\$ 354,227</u>	<u>\$ 14,000</u>	<u>\$ (567,406)</u>	<u>\$ 61,357</u>

ROCKY VIEW FOUNDATION

NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2022

UNRESTRICTED

	<u>2022</u>	<u>2021</u>
UNRESTRICTED, BEGINNING OF YEAR	\$ 614,832	\$ 294,126
Change in fund balance for the year	<u>(935,633)</u>	<u>320,706</u>
UNRESTRICTED, END OF YEAR	<u>\$ (320,801)</u>	<u>\$ 614,832</u>

INVESTED IN TANGIBLE CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>
INVESTMENT IN TANGIBLE CAPITAL ASSETS, BEGINNING OF YEAR	\$ 1,937,492	\$ 1,199,796
Change in fund balance for the year	<u>354,227</u>	<u>737,696</u>
INVESTMENT IN TANGIBLE CAPITAL ASSETS, END OF YEAR	<u>\$ 2,291,719</u>	<u>\$ 1,937,492</u>

INTERNALLY RESTRICTED CAPITAL RESERVES

	<u>2022</u>	<u>2021</u>
CAPITAL RESERVES, BEGINNING OF YEAR	\$ 617,869	\$ 1,614,914
Change in fund balance for the year	<u>14,000</u>	<u>(997,045)</u>
CAPITAL RESERVES, END OF YEAR	<u>\$ 631,869</u>	<u>\$ 617,869</u>

INTERNALLY RESTRICTED OPERATING RESERVES

	<u>2022</u>	<u>2021</u>
OPERATING RESERVES, BEGINNING OF YEAR	\$ 50,241	\$ 50,241
Change in fund balance for the year	<u>-</u>	<u>-</u>
OPERATING RESERVES, END OF YEAR	<u>\$ 50,241</u>	<u>\$ 50,241</u>

ROCKY VIEW FOUNDATION
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures	\$ (567,406)	\$ 61,357
Items not affecting cash:		
Amortization of tangible capital assets	528,126	528,163
Amortization of deferred contributions related to tangible capital assets	<u>(280,238)</u>	<u>(281,607)</u>
	<u>(319,518)</u>	<u>307,913</u>
Changes in non-cash working capital:		
Accounts receivable	211,967	(210,793)
Goods and services tax	(39,656)	12,559
Prepaid expenses and deposits	(2,386)	146,458
Accounts payable and accrued liability	210,217	54,060
Deferred revenue	(6,500)	-
Deferred contributions	<u>8,722</u>	<u>421,124</u>
	<u>382,364</u>	<u>423,408</u>
	<u>62,846</u>	<u>731,321</u>
FINANCING ACTIVITIES		
Advances of Foundation Social Housing Projects	(8,151)	(1,565)
Proceeds from operating line of credit for land development	200,000	
Proceeds from acquisition of demand loans	-	7,700,000
Repayments on demand loans	(370,831)	(278,365)
Increase in security deposits payable	<u>800</u>	<u>1,238</u>
	<u>(178,182)</u>	<u>7,421,308</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>(240,006)</u>	<u>(8,827,009)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(355,342)	(674,380)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,186,964</u>	<u>1,861,344</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 831,622</u>	<u>\$ 1,186,964</u>
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash and cash equivalents (Note 3)	\$ 806,624	\$ 1,201,961
Security trust account	49,762	49,324
Operating line of credit (Note 7)	<u>(24,764)</u>	<u>(64,321)</u>
	<u>\$ 831,622</u>	<u>\$ 1,186,964</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW FOUNDATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. NATURE OF OPERATIONS

Rocky View Foundation (the "Foundation") is a not-for-profit organization with the objective of providing affordable accommodations for seniors who require a supportive living environment.

The Foundation was established as a management body by authority of the Alberta Housing Act under a provincial ministerial order on August 1, 1964. The Foundation is a registered charity under the Income Tax Act and is therefore exempt from income tax in accordance with Section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These non-consolidated financial statements are prepared in accordance with Chartered Professional Accountants of Canada Public Sector Accounting Standards (PSA Standards), including standards for Government Not-for-Profit Organizations. The significant accounting policies are detailed below.

These non-consolidated financial statements have been prepared in accordance with the significant accounting policies set out below. These non-consolidated financial statements materially differ from Canadian public sector accounting standards for government not-for-profit organizations because they are non-consolidated in that assets, liabilities, revenues and expenditures of the Foundation's controlled social housing projects are not consolidated into the assets, liabilities, revenues and expenses of the Foundation itself. Consolidated financial statements are, however, prepared separately.

a) Fund accounting

The Foundation follows the deferral method of fund accounting.

The Operating Fund accounts for the Foundation's program delivery and administrative activities in the operation of the Foundation. This fund reports unrestricted resources.

The Reserve Fund reports internally and externally restricted resources that are administered at the discretion of the Board of Directors.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Foundation's tangible capital assets.

b) Measurement uncertainty

The preparation of non-consolidated financial statements in conformity with the PSA Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: estimated useful lives of tangible capital assets and amortization of tangible capital assets. Actual results may differ from management's best estimates as additional information becomes available in the future.

c) Investments

Investments are carried at cost.

ROCKY VIEW FOUNDATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Tangible capital assets

Tangible capital assets are recorded in the Capital Fund at cost when they exceed \$5,000. Contributed tangible capital assets are recorded in the Capital Fund at fair value at the date of contribution. The Foundation's tangible capital assets are amortized to income as follows:

Leasehold improvements	4 %	Straight line basis
Buildings	4 %	Straight line basis
Outbuildings	5 %	Straight line basis
Equipment and furnishings	10 %	Straight line basis
Vehicles	20 %	Straight line basis
Computer equipment	20 %	Straight line basis

Amortization is calculated based on the date of acquisition. No amortization is taken in the year of disposition.

Capital work in progress is not available for use and no amortization is taken on the amount spent until the project is fully completed and put into use.

e) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental and service package revenue for residents is recorded at the start of each month the service is provided.

Capital contributions are recorded as unamortized capital contributions and amortized to revenue using the same amortization rates as the funded tangible capital assets. Capital contributions that have not been utilized to acquire a related tangible capital asset are recorded as deferred capital contributions.

f) Cash and cash equivalents

Cash and equivalents include cash on deposit, temporary bank overdrafts, temporary investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value, and its operating line of credit used for operating activities, which form an integral part of the Foundation's cash management.

g) Contributed goods and services

The Foundation benefits from contributed services in the form of volunteer time to assist the Foundation in carrying out its activities. Due to the difficulty in determining the fair value of this time, the contributed services are not recognized in the non-consolidated financial statements. Donations of goods are recognized when the goods would otherwise have been purchased and fair market value can be reasonably estimated.

ROCKY VIEW FOUNDATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments

The Foundation's financial instruments consist of cash and cash equivalents, accounts receivable, operating lines of credit, demand loans, accounts payable and accrued liability, and security deposits payable. It is management's opinion, with the exception of its variable interest credit facilities of which there is interest rate risk, that the Foundation is not exposed to significant currency, other price, liquidity or credit risks arising from these financial instruments.

3. CASH AND CASH EQUIVALENTS

	2022	2021
Cash	\$ 755,369	\$ 1,099,582
Temporary investments	<u>51,255</u>	<u>102,379</u>
	<u>\$ 806,624</u>	<u>\$ 1,201,961</u>

Temporary investments is comprised of a business T-Bill savings account earning interest monthly.

Contained in these balances is \$631,869 (2021 - \$617,869), which has been internally restricted by board motion for future capital expenditures, and \$50,241 (2021 - \$50,241) which has been internally restricted by board motion for future operating expenditures.

Contained in these balances is \$17,524 (2021 - \$24,024) which is restricted for the exclusive use of approved projects (Note 10) and not available for operating activities.

4. SECURITY TRUST ACCOUNT

The security trust account is held in trust for resident security deposits and cannot be utilized for general purposes.

As residents may be subject to reimbursement of their security deposits at any point in time, the security trust account and offsetting security deposits payable are classified as current.

5. ACCOUNTS RECEIVABLE

	2022	2021
Trade receivables	\$ 6,920	\$ 18,887
Donations receivable	<u>50,000</u>	<u>250,000</u>
	<u>\$ 56,920</u>	<u>\$ 268,887</u>

ROCKY VIEW FOUNDATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

6. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2022</u>	<u>Net 2021</u>
Land	\$ 1,310,002	\$ -	\$ 1,310,002	\$ 1,310,002
Leasehold improvements	135,673	26,230	109,443	114,870
Buildings	12,235,489	5,202,414	7,033,075	7,483,627
Outbuildings	68,671	36,411	32,260	26,146
Equipment and furnishings	567,776	470,197	97,579	104,797
Vehicles	186,233	142,616	43,617	53,586
Computer equipment	9,300	9,300	-	-
Land, building and equipment work in progress	<u>9,006,154</u>	<u>-</u>	<u>9,006,154</u>	<u>8,827,222</u>
	<u>\$23,519,298</u>	<u>\$ 5,887,168</u>	<u>\$17,632,130</u>	<u>\$17,920,250</u>

The Foundation is in the process of renovating a property located at 52 East Lake Avenue North East, Airdrie, Alberta, and has spent a total of \$9,006,154 (2021 - \$8,827,222) in land, building and equipment. The expected date of completion of the property is July 2023. No amortization has been taken. The assets will be amortized once they are available for use.

7. OPERATING LINES OF CREDIT

	<u>2022</u>	<u>2021</u>
ATB Financial - operating line of credit	\$ 24,764	\$ 64,321
ATB Financial - Bragg Creek land development	<u>200,000</u>	<u>-</u>
	<u>\$ 224,764</u>	<u>\$ 64,321</u>

The Foundation has an authorized municipal operating line of credit with ATB Financial for \$100,000, bearing interest at prime plus 1.25%. The line of credit is to be utilized for operations for the Rocky View Lodge. As at year end, the Foundation had \$75,236 (2021 - \$35,679) available for use.

The Foundation has an authorized municipal operating line of credit with ATB Financial for \$250,000, bearing interest at prime plus 1%. The line of credit is to be utilized for expenses related to land development in Bragg Creek (Note 10). As at year end, the Foundation had \$50,000 (2021 - \$250,000) available for use.

Security is as disclosed in Note 8.

8. DEMAND LOANS

	<u>2022</u>	<u>2021</u>
ATB Financial demand loan - Diamond Jubilee Manor	\$ 180,750	\$ 200,472
ATB Financial demand loan - Rocky View Lodge	2,221,753	2,426,129
ATB Financial demand loan - Abrio Place Loan #1	1,513,061	1,610,000
ATB Financial demand loan - Abrio Place Loan #2	<u>6,040,206</u>	<u>6,090,000</u>
	<u>\$ 9,955,770</u>	<u>\$10,326,601</u>

ROCKY VIEW FOUNDATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

8. DEMAND LOANS (continued)

Diamond Jubilee Manor

ATB Financial non-revolving demand loan, bearing interest at prime less 0.50%, repayable in blended bi-weekly payments of \$1,050, maturing in April 2023.

Rocky View Lodge

ATB Financial non-revolving demand loan, bearing interest at prime less 0.50%, repayable in blended monthly payments of \$24,995, maturing in April 2023.

Abrio Place Loan #1

ATB Financial non-revolving demand loan, approved for \$7,400,000 to finance the purchase and renovations of a property located at 52 East Lake Avenue North East, Airdrie, Alberta. This loan bears interest at prime plus 0.75%, repayable in blended monthly payments of \$35,500. Balance is payable in full on demand but no later than April 2023.

Abrio Place Loan #2

ATB Financial non-revolving demand loan, approved for \$2,210,000 to finance the purchase and renovations of a property located at 52 East Lake Avenue North East, Airdrie, Alberta. This loan bears interest at prime plus 1%, repayable in blended monthly payments of \$21,825. Balance is payable in full on demand but no later than April 2023.

The ATB Financial credit facilities are secured by the following documents and provisions:

- General security agreement over all present and after-acquired personal property located at or relating to the Project Lands.
- Land mortgage in the principal sum of \$5,000,000, constituting a first fixed charge on the lands located at Plan 8111295, Block 8A, Lot 2.
- Land mortgage in the principal sum of \$400,000, constituting a first fixed charge on the lands located at Plan Airdrie 4445K, Block D, Lot 6 and those portions of lots 7 and 8 lying west of the east 60 feet of the said lots.
- Land mortgage in the principal sum of \$9,700,000, constituting a first fixed charge on the lands located at Plan Airdrie 4445K, Block D, and second charge located at Plan 8111295, Block 8A, Lot 2 and Plan Airdrie 4445K, Block D, Lot 6 and those portions of lots 7 and 8 lying west of the east 60 feet of the said lots.
- General assignment of leases and rents, to be registered by way of Caveat at Land Titles Office.
- Assignment of major development agreements, permits and approvals relating to the Project Lands.
- Assignment of major construction contracts relating to the Project Lands.

The carrying value of security for the credit facilities is \$9,006,154 (2021 - \$8,827,222).

The Foundation is subject to both financial and non-financial covenants in relation to these facilities, of which, the Foundation is in compliance.

ROCKY VIEW FOUNDATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITY

	2022	2021
Trade payables	\$ 197,303	\$ 135,775
Accrued liability	16,172	21,978
Credit card payable	11,056	12,106
Payroll tax remittances	7,361	-
Wages payable	148,184	-
	\$ 380,076	\$ 169,859

The Foundation has an authorized credit card with ATB Financial, with a maximum authorized limit of \$20,000, bearing interest at prime plus 6%. As at year end, the Foundation had \$8,944 (2021 - \$7,894) available for use.

10. DEFERRED REVENUE

	2022	2021
Bragg Creek Seniors Housing Society	17,524	17,524
Alberta Social Housing Corporation	-	6,500
	\$ 17,524	\$ 24,024

Bragg Creek Seniors Housing Society

The Foundation received funding from the Bragg Creek Seniors Housing Society for the purpose of being utilized for a project feature in a seniors housing project in Bragg Creek.

11. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions reported in the Capital Fund include the unamortized portions of contributed tangible capital assets and restricted contributions with which tangible capital assets are acquired by the Foundation.

The changes for the year in the deferred contributions balance reported in the Capital Fund are as follows:

	2022	2021
Balance, beginning of year	\$ 5,656,157	\$ 5,516,640
Capital donations	8,722	421,124
Amounts amortized to revenue	(280,238)	(281,607)
Balance, end of year	\$ 5,384,641	\$ 5,656,157

12. COMMITMENT

On August 28, 2017, the Foundation entered into an 8 year lease agreement for administration office space for Foundation operations. The annual commitment is \$65,406 plus GST.

ROCKY VIEW FOUNDATION
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DECEMBER 31, 2022

13. NON-CONSOLIDATED SOCIAL HOUSING OPERATIONS

The Foundation has direct control of the controlled resources of the Social Housing Projects. The following is a summary of the assets, liabilities, revenues and expenses of Crossroads Manor, Dr. Whillan's Manor, Diamond Jubilee Manor and Evergreen Manor, which have not been consolidated into the Housing Foundation's non-consolidated financial statements for the year ended December 31, 2022. The details are as follows:

	2022	2021
REVENUE	\$ 546,887	\$ 549,879
EXPENDITURES	<u>459,756</u>	<u>461,918</u>
	87,131	87,961
Add:		
Opening surplus	-	-
Less:		
Remittance due to ASHC	<u>(87,131)</u>	<u>(87,961)</u>
OPERATING RESERVES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

The statement of financial position for the Social Housing Projects as at December 31, 2022 is as follows:

	2022	2021
Assets	<u>\$ 191,567</u>	<u>\$ 192,828</u>
Liabilities	\$ 176,766	\$ 178,027
Operating reserves	14,800	14,800
Donated capital	<u>1</u>	<u>1</u>
	<u>\$ 191,567</u>	<u>\$ 192,828</u>

ROCKY VIEW FOUNDATION
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14. MUNICIPAL REQUISITIONS

The Alberta Housing Act, Part 7 - Requisitions, states that a housing management body which provides lodge accommodation may requisition the municipalities for which it provides this accommodation. The requisition can be made for the management body's annual deficit arising from provision of this accommodation for the previous fiscal year, and it can also be for any amounts necessary to establish or continue a reserve fund for the management body.

The Rocky View Foundation's requisitions from the following municipalities for the year were as follows:

	<u>2022</u>	<u>2021</u>
Rocky View County	\$ 1,006,123	\$ 1,020,185
City of Airdrie	630,036	620,238
Town of Cochrane	5,188	302,160
Town of Crossfield	33,825	33,296
Town of Irricana	6,993	6,915
Village of Beiseker	<u>305,851</u>	<u>5,222</u>
	<u>\$ 1,988,016</u>	<u>\$ 1,988,016</u>

15. INTERFUND TRANSFERS

During the year, the Foundation transferred \$602,115 from the Operating Fund to Capital Fund to fund capital transactions. In addition, \$0 (2021 - \$1,000,000) was transferred from the Reserve Fund, of which \$0 (2021 - \$984,248) was to the Capital Fund to fund capital transactions and \$0 (2021 - \$15,752) was to the Operating Fund for operations.

16. SUBSEQUENT EVENTS

For the purpose of the accompanying non-consolidated financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these non-consolidated financial statements.

17. CONTINGENT LIABILITIES

For the purpose of the accompanying non-consolidated financial statements, contingent liabilities have been evaluated by management.

There were no contingent liabilities that would have a material impact on these non-consolidated financial statements.

18. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified to conform with the non-consolidated financial statement presentation adopted for the current year.

ROCKY VIEW FOUNDATION

SCHEDULE OF FOUNDATION LODGE OPERATIONS

DECEMBER 31, 2022

(Schedule 1)

	Rocky View Lodge	Big Hill Lodge	Diamond Jubilee Manor Suites	Abrio Place	Total	Rocky View Lodge	Big Hill Lodge	Diamond Jubilee Manor Suites	Abrio Place	Total
	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
REVENUES:										
Rental accommodation	\$ 1,005,607	\$ 1,112,162	\$ 115,225	-	\$ 2,232,994	\$ 1,042,738	\$ 1,123,503	\$ 114,835	-	\$ 2,281,076
Requisitions	914,487	1,073,529	-	-	1,988,016	995,493	992,523	-	-	1,988,016
Lodge assistance	202,816	236,618	-	-	439,434	196,978	242,456	-	-	439,434
Federal Step funding	-	-	6,500	-	6,500	4,200	4,200	-	-	8,400
Provincial COVID-19 funding	22,591	10,644	-	-	33,235	139,130	120,386	-	-	259,516
Other income	114,962	122,410	598	53,270	291,240	47,798	60,382	771	22,305	131,256
	<u>2,260,463</u>	<u>2,555,363</u>	<u>122,323</u>	<u>53,270</u>	<u>4,991,419</u>	<u>2,426,337</u>	<u>2,543,450</u>	<u>115,606</u>	<u>22,305</u>	<u>5,107,698</u>
EXPENDITURES:										
Wages, salaries and benefits	1,263,845	1,327,045	4,785	70,906	2,666,581	1,271,304	1,367,182	4,890	13,950	2,657,326
Food supplies	292,159	243,999	-	64	536,222	235,520	204,623	-	269	440,412
Utilities	148,205	195,966	28,500	132,300	504,971	139,219	180,141	23,885	104,595	447,840
Maintenance	119,219	111,829	26,022	54,179	311,249	122,264	124,964	17,414	31,986	296,628
Operating expenses	39,675	41,908	3,404	393	85,380	42,793	39,972	3,321	44	86,130
Administration	76,385	72,563	4,433	53,116	206,497	34,707	33,628	2,846	107,028	178,209
Interest on demand loans	95,084	-	7,579	361,495	464,158	68,169	-	5,180	132,099	205,448
	<u>2,034,572</u>	<u>1,993,310</u>	<u>74,723</u>	<u>672,453</u>	<u>4,775,058</u>	<u>1,913,976</u>	<u>1,950,510</u>	<u>57,536</u>	<u>389,971</u>	<u>4,311,993</u>
NET REVENUE BEFORE ADMINISTRATION	\$ <u>225,891</u>	\$ <u>562,053</u>	\$ <u>47,600</u>	\$ <u>(619,183)</u>	\$ <u>216,361</u>	\$ <u>512,361</u>	\$ <u>592,940</u>	\$ <u>58,070</u>	\$ <u>(367,666)</u>	\$ <u>795,705</u>