

**Mountain View Seniors' Housing**

**Independent Auditor's Report and  
Financial Statements**

**December 31, 2015**

## INDEPENDENT AUDITOR'S REPORT

T. 403.342.5541  
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### To the Board of Directors of Mountain View Seniors' Housing

[www.collinsbarrow.com](http://www.collinsbarrow.com)

We have audited the accompanying financial statements of Mountain View Seniors' Housing, which comprise the statement of financial position as at December 31, 2015 and the statements of financial position, net assets, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards 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.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mountain View Seniors' Housing as at December 31, 2015, and the results of its operations, net assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Collins Barrow Red Deer LLP*

Red Deer, Alberta

Chartered Professional Accountants

March 17, 2016

**Mountain View Seniors' Housing**  
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**Mountain View Seniors' Housing**  
**Statement of Financial Position**  
**As at December 31, 2015**

	<u>Lodges</u>	<u>Housing</u>	<u>December 31 2015</u>	<u>December 31 2014</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents (Note 3)	\$ 15,735	\$ -	\$ 15,735	\$ 44,085
Restricted cash (Note 3)	8,648,133	49,760	8,697,893	412,854
Accounts receivable	73,516	5,374	78,890	132,626
Prepaid expenses	50,957	-	50,957	2,411
Due from Mountain View Housing Foundation	15,167	-	15,167	6,806
Goods and Services Taxes receivable	507,983	20,543	528,526	293,216
	<u>9,311,491</u>	<u>75,677</u>	<u>9,387,168</u>	<u>891,998</u>
<b>Security deposit (Note 4)</b>	10,875	-	10,875	10,875
<b>Resident security deposits (Note 5)</b>	151,686	65,810	217,496	202,969
<b>Investments (Note 6)</b>	49,433	-	49,433	48,114
<b>Capital assets (Note 7)</b>	54,222,007	-	54,222,007	35,455,831
	<u>\$ 63,745,492</u>	<u>\$ 141,487</u>	<u>\$ 63,886,979</u>	<u>\$ 36,609,787</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank indebtedness (Note 3)	\$ 1,371,712	\$ (126,149)	\$ 1,245,563	\$ 761,663
Accounts payable and accruals	3,684,996	114,125	3,799,121	2,064,477
Restricted by Alberta Social Housing (Note 8)	-	38,101	38,101	879
Deferred revenue (Note 9)	63,870	15,000	78,870	15,000
Callable debt (Note 10)	450,000	-	450,000	250,000
Current portion of long-term debt (Note 11)	1,081,545	-	1,081,545	732,823
	<u>6,652,123</u>	<u>41,077</u>	<u>6,693,200</u>	<u>3,824,842</u>
<b>Resident security deposits (Note 5)</b>	151,686	65,810	217,496	202,969
<b>Life Lease fee (Note 12)</b>	2,132,400	-	2,132,400	2,241,120
<b>Restricted operating reserve fund (Note 13)</b>	-	34,600	34,600	34,600
<b>Long-term debt (Note 11)</b>	30,701,334	-	30,701,334	13,990,493
<b>Unamortized capital contributions (Note 14)</b>	20,824,297	-	20,824,297	12,958,238
	<u>60,461,840</u>	<u>141,487</u>	<u>60,603,327</u>	<u>33,252,262</u>
<b>NET ASSETS</b>				
<b>Unrestricted (Note 15)</b>	3,096,688	-	3,096,688	3,221,219
<b>Restricted (Note 16)</b>	186,964	-	186,964	136,306
	<u>3,283,652</u>	<u>-</u>	<u>3,283,652</u>	<u>3,357,525</u>
	<u>\$ 63,745,492</u>	<u>\$ 141,487</u>	<u>\$ 63,886,979</u>	<u>\$ 36,609,787</u>

Approved by the Board:

 Director

 Director

**Mountain View Seniors' Housing**  
**Statement of Net Assets**  
**For the year ended December 31, 2015**

	<u>Unrestricted (Note 15)</u>	<u>Restricted (Note 16)</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>Net assets, beginning of year (Note 23)</b>	<b>\$ 3,221,219</b>	<b>\$ 136,306</b>	<b>\$ 3,357,525</b>	<b>\$ 3,361,144</b>
Deficiency of revenue over expenditures	(73,873)	-	(73,873)	(3,619)
Transfer to Life Lease capital and maintenance reserve	(50,658)	50,658	-	-
<b>Net assets, end of year</b>	<b>\$ 3,096,688</b>	<b>\$ 186,964</b>	<b>\$ 3,283,652</b>	<b>\$ 3,357,525</b>

**Mountain View Seniors' Housing  
Statement of Operations  
For the year ended December 31, 2015**

	<u>Lodges</u> (page 12)	<u>Housing</u>	<u>Life Lease</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>					
Rent revenue and service fees	\$ 5,229,005	\$ 964,222	\$ 231,780	\$ 6,425,007	\$ 6,265,001
MVSH Subsidy for Low Income Residents	(763,600)	-	-	(763,600)	(762,692)
Health Authority grants	3,104,124	-	-	3,104,124	3,130,013
Requisitions - Municipalities (Note 17)	1,018,000	-	-	1,018,000	1,018,000
Amortization of deferred capital contributions	240,036	-	-	240,036	235,352
Sundry	88,482	5,495	-	93,977	71,061
Utility recovery	-	68,034	-	68,034	65,126
Other grants and donations	34,663	-	-	34,663	32,307
Interest	4,006	160	25,605	29,771	39,406
Alberta Housing and Urban Affairs grants	-	3,972	-	3,972	102,194
	<u>8,954,716</u>	<u>1,041,883</u>	<u>257,385</u>	<u>10,253,984</u>	<u>10,195,768</u>
<b>Expenditures (Note 18)</b>					
Salaries, wages and benefits	\$ 5,474,338	\$ 129,029	\$ 62,000	\$ 5,665,367	\$ 5,458,235
Maintenance and facility services	492,238	505,868	43,639	1,041,745	1,027,015
Telephone and utilities	499,726	255,485	22,592	777,803	835,953
Amortization	708,970	-	56,916	765,886	750,484
Food, kitchen and linen supplies	654,988	-	-	654,988	618,191
Interest and bank charges	496,359	50	18,155	514,564	543,526
Purchased services	336,165	55,354	3,425	394,944	397,085
Staff training, travel and memberships	100,145	14,214	-	114,359	102,067
Office and miscellaneous	90,136	5,344	-	95,480	82,446
Rent	51,044	24,000	-	75,044	90,450
Insurance	41,379	32,162	-	73,541	65,924
Resident travel and activities	50,214	-	-	50,214	46,518
Resident care contracts and health care supplies	39,389	-	-	39,389	33,728
Audit	15,010	9,460	-	24,470	29,320
Bad debt	9,860	10,917	-	20,777	-
Directors' expenses	19,286	-	-	19,286	19,045
Property taxes	-	-	-	-	99,400
	<u>9,079,247</u>	<u>1,041,883</u>	<u>206,727</u>	<u>10,327,857</u>	<u>10,199,387</u>
<b>Deficiency of revenue over expenditures</b>	<u>\$ (124,531)</u>	<u>\$ -</u>	<u>\$ 50,658</u>	<u>\$ (73,873)</u>	<u>\$ (3,619)</u>

Transfer to reserve (Note 16)

**Mountain View Seniors' Housing**  
**Statement of Cash Flows**  
**For the year ended December 31, 2015**

<b>CASH PROVIDED BY (USED FOR)</b>	<b>2015</b>	<b>2014</b>
<b>Operating activities</b>		
Cash receipts for tenants, donations and grants	10,027,609	\$10,165,303
Cash paid to suppliers and employees	(9,590,828)	(8,714,008)
Interest received	13,010	15,246
Interest paid	(495,926)	(509,122)
	<u>(46,135)</u>	<u>957,419</u>
<b>Investing activities</b>		
Capital contributions	8,106,096	2,182,494
Purchase of capital assets	(17,530,889)	(4,855,216)
Purchase of short-term investment	(1,319)	(1,622)
	<u>(9,426,112)</u>	<u>(2,674,344)</u>
<b>Financing activities</b>		
Advances of callable debt	450,000	250,000
Repayment of callable debt	(250,000)	(829,166)
Advances of long-term debt	17,792,386	3,759,740
Repayment of long-term debt	(732,823)	(1,638,485)
Advances (repayment) of bank indebtedness	512,250	609,665
	<u>17,771,813</u>	<u>2,151,754</u>
<b>Increase in cash</b>	<b>8,299,566</b>	<b>434,829</b>
<b>Cash, beginning of year</b>	<b>615,823</b>	<b>180,994</b>
<b>Cash, end of year</b>	<b>\$ 8,915,389</b>	<b>\$ 615,823</b>
<b>Cash consists of:</b>		
Restricted cash	8,697,893	412,854
Cash held in trust for security deposits payable	217,496	202,969
	<u>\$ 8,915,389</u>	<u>\$ 615,823</u>

During the year the organization purchased capital assets which remain in accounts payable and accruals in the amount of \$3,070,653 (2014 - \$1,068,943). These transactions have been excluded from the statement of cash flows as they are non-cash transactions.

# Mountain View Seniors' Housing

## Notes to the Financial Statements

### As at December 31, 2015

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#### Note 1 Nature of Operations

Mountain View Seniors' Housing is a not-for-profit organization with the objective of providing affordable accommodations for seniors who require a supportive living environment and housing for low-income families.

The organization was established as a management body by authority of the Alberta Housing Act under a provincial ministerial order effective February 1, 1995. The organization 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.

#### Note 2 Summary of Significant Accounting Policies

These 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 policies are detailed as follows:

(a) *Measurement Uncertainty*

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include: estimated useful lives of capital assets and impairment of long lived assets. Actual results may differ from management's best estimates as additional information becomes available in the future.

(b) *Investments*

Investments are carried at cost.

(c) *Capital Assets*

Amortization of capital assets is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	50 years
Furniture and equipment	10 years
Business systems	10 years
Leasehold improvements	10 years
Computer hardware	4 years
Capital WIP	see note below

No amortization is taken in the year of acquisition.

Capital WIP is work in progress and no amortization is taken on the amount spent until one year after the asset is put into use.



## Note 2 Significant Accounting Policies (continued)

### (d) Contributed Goods and Services

The organization benefits from contributed services in the form of volunteer time to assist the organization 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 financial statements.

Donations of goods are also not recognized in these financial statements due to the difficulty in estimating fair value.

### (e) Revenue Recognition

The organization 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 when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental and service package revenue for Lodge 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 capital asset. Capital contributions that have not been utilized to acquire a related capital asset are recorded as deferred capital contributions. No amortization is taken in the year an asset is acquired.

### (f) Cash and cash equivalents

Cash and equivalents include cash on deposit and temporary bank overdrafts which form an integral part of the organization's cash management.

## Note 3 Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
Bank balance (overdraft) over funds on deposit	\$ 5,161,991	\$ (703,792)
Restricted cash	(6,345,704)	-
Net outstanding deposits (cheques)	<u>(61,850)</u>	<u>(13,786)</u>
Deficiency of unrestricted cash	<u>\$ (1,245,563)</u>	<u>\$ (717,578)</u>
Cash	\$ 15,735	\$ 44,085
Deficiency of unrestricted cash	<u>(1,245,563)</u>	<u>(761,663)</u>
Cash and bank indebtedness	<u>\$ (1,229,828)</u>	<u>\$ (717,578)</u>

Included in the bank balance are the following restricted cash balances for housing operations:

- \$34,600 representing the restricted operating reserve fund (note 13)
- \$15,000 representing funds received from Alberta Housing and Urban Affairs to pay subsidies to eligible tenants to assist with rental costs for housing units (note 9).

**Note 3 Cash and Cash Equivalents (continued)**

In addition, there is restricted cash for lodges as follows:

Restricted cash includes:

• Cash held in a separate bank account that has been internally restricted for Life Lease reserve funds	\$ 137,810
• Cash held in a separate bank account which has been restricted for Sundre capital project use plus funds to be transferred from the operating account.	6,504,546
• Cash held in separate bank accounts for the HCA training program and internally restricted for a Lodge Maintenance Reserve	26
• Cash held in trust with Reynolds Mirth Richards & Farmer LLP for 10% holdback on the Sundre capital project.	2,005,751
	<b><u>\$ 8,648,133</u></b>

The organization has an available line of credit to a maximum of \$1,200,000 bearing interest at Mountain View Credit Union prime (currently 3.5%) less 1.0%. Security is provided by a General Security Agreement.

As part of the organization's current credit facility agreements with Mountain View Credit Union, the organization is required to monitor and maintain a minimum Debt Service Ratio of 1:1. At year-end the organization was not in compliance with this covenant.

These financial statements have not been adjusted to reflect any action that may be taken by the organization's lenders due to this covenant breach. Mountain View Credit Union is aware of the covenant violation and has no current plans to change the terms of repayment on the outstanding callable and long-term debt.

**Note 4 Security Deposit**

This security deposit was paid in 2013 for the new administration office lease.

**Note 5 Resident Security Deposits**

Resident security deposits are held in trust on behalf of the tenants.

**Note 6 Investments**

Investments consist of shares in Mountain View Credit Union.

**Note 7 Capital Assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net</u>	<u>2014 Net</u>
Land	\$ 1,281,148	\$ -	\$ 1,281,148	\$ 1,280,999
Buildings and improvements	33,084,936	4,247,700	28,837,236	29,094,823
Furniture and equipment	1,021,129	452,795	568,334	322,385
Business systems	229,934	66,055	163,879	186,872
Leasehold improvements	23,462	4,692	18,770	10,166
Computer hardware	194,718	148,136	46,582	78,929
Capital WIP	23,306,058	-	23,306,058	4,481,657
	<b><u>\$ 59,141,385</u></b>	<b><u>\$ 4,919,378</u></b>	<b><u>\$ 54,222,007</u></b>	<b><u>\$ 35,455,831</u></b>

**Note 8 Restricted by Alberta Social Housing**

Subsequent to year end, approval was received from Alberta Seniors and Housing to carryover the 2015 surplus of \$38,101 for use in the 2016 year for suite repairs and upgrading.

**Note 9 Deferred Revenue**

	Opening Balance	Contributions Received	Contributions Recognized as Revenue or Capital Contributions	Ending Balance
HCA Course Registrations	-	50,939	15,567	35,372
Lodge Renewal Initiative Grant	-	247,033	228,004	19,029
Direct Rent Supplement (note 3)	15,000	-	-	15,000
Other	-	9,469	-	9,469
	<b>\$ 15,000</b>	<b>\$ 307,441</b>	<b>\$ 243,571</b>	<b>\$ 78,870</b>

**Note 10 Callable Debt**

Mountain View Credit Union loans repayable upon demand requiring monthly interest payments. Interest is charged at Mountain View Credit Union prime (currently 3.5%) less 1.0%. Collateral provided by a General Security Agreement.

See note 3 for details of financial covenants.

**Note 11 Long-term Debt**

	2015	2014
Mountain View County loans repayable in annual installments totaling \$1,039,715 including interest at 2.8% to 6.0%, final instalments due March 2025 to September 2029. Collateral provided by future municipal requisitions.	<b>\$ 9,222,541</b>	\$ 9,857,713
Mountain View Credit Union non-revolving mortgage. Payment in monthly installments of \$2,058 including principal and interest at a rate of 3.19%, final instalment due May 2038. Mortgage is a 60 month fixed term amortized over 25 years. Collateral provided by first charge mortgage over the land and buildings of Mount View Lodge and assignment of rents.	<b>395,883</b>	407,740
Mountain View Credit Union non-revolving mortgage. Payment in monthly installments of \$14,888 including principal and interest at a rate of 3.19%, final instalment due May 2038. Mortgage is a 60 month fixed term amortized over 25 years. Collateral provided by first charge mortgage over the land and buildings of Mount View Lodge and assignment of rents.	<b>2,864,329</b>	2,950,123
Mountain View Credit Union lending to assist with construction of the Sundre Lodge. Interest payments are due monthly on funds advanced at a rate of prime (currently 3.5%) plus 1.5%. The total amount available is \$22,000,000. Upon completion of construction, monthly blended payments of principal and interest will commence. Expected completion is July 2016 and therefore payments are expected to commence in August 2016.	<b>19,300,126</b>	1,507,740
	<b>31,782,879</b>	14,723,316
Current portion	<b>1,081,545</b>	732,823
	<b>\$ 30,701,334</b>	\$ 13,990,493

**Note 11 Long-term Debt (continued)**

Collateral on Mountain View Credit Union mortgages is provided by a general security agreement, first charge mortgage over the land and buildings of Mount View Lodge and Sundre project land in the amount of \$3,740,000 and assignment of rents.

See note 3 for details of financial covenants.

Estimated principal repayments are as follows:

2016	\$ 1,081,545
2017	1,562,477
2018	1,594,058
2019	1,624,130
2020	1,664,560
Subsequent	<u>24,256,109</u>
	<u>\$ 31,782,879</u>

**Note 12 Life Lease Fee**

The organization has leased 11 life lease suites in Olds that can be occupied by entering a life lease agreement. The organization has also received deposits for 10 life lease suites in Sundre which are expected to be occupied in July 2016. On termination of the lease of a Life Lease suite the fee is to be repaid to the tenant without interest and after deducting an amount as described below.

Upon termination of the Life Lease Agreement the amount of the lease fee refunded is calculated as

One year or less	Fee less 1%
Greater than one year to two years	Fee less 2%
Greater than two years to three years	Fee less 3%
Greater than three years to four years	Fee less 4%
Greater than four years to five years	Fee less 5%
Greater than five years to six years	Fee less 6%
Greater than six years to seven years	Fee less 7%
Greater than seven years	Fee less 8%

**Note 13 Restricted Operating Reserve Fund**

The fund represents an amount restricted by the Alberta Government. The funds are not to be used to address unbudgeted expenditures and any use of the funds must have approval from the Alberta Government.

**Note 14 Unamortized Capital Contributions**

	<u>2015</u>	<u>2014</u>
<b>Balance, beginning of year</b>	<b>\$12,958,238</b>	\$11,132,596
<b>Contributions received during the year:</b>		
Affordable Supportive Living Initiative	1,520,000	1,900,000
CMHC Grant	6,345,704	-
Mountain View Housing Foundation	10,706	21,437
Lodge Renewal Funding Initiative	215,202	134,301
Interest earned on Sundre project funds	14,483	5,256
<b>Amortization of assets acquired from capital contributions</b>	<b><u>(240,036)</u></b>	<b><u>(235,352)</u></b>
<b>Balance, end of year</b>	<b><u>\$20,824,297</u></b>	<b><u>\$12,958,238</u></b>

Included in unamortized capital contributions is \$10,018,644 (2014 - \$2,060,994) that has been spent but not amortized.

**Note 15 Unrestricted Net Assets**

Mountain View Seniors' Housing has Unrestricted Net Assets in the amount of \$3,096,688 (2014 - \$3,221,219) which is comprised of funds invested in capital assets and accumulation of operating surpluses (deficits).

**Note 16 Restricted Net Assets**

The Mountain View Seniors' Housing board has approved the restriction of any surplus of funds for the Life Lease operations for future capital and maintenance for Life Lease.

	<u>2015</u>	<u>2014</u>
Life Lease surplus	\$ 50,658	\$ 42,344
Transfer to reserve	<u>(50,658)</u>	<u>(42,344)</u>
	<u>\$ -</u>	<u>\$ -</u>
Restricted reserve, opening balance	136,306	93,962
Transfer from Life Lease surplus	<u>50,658</u>	<u>42,344</u>
Restricted reserve, ending balance	<b><u>\$ 186,964</u></b>	<b><u>\$ 136,306</u></b>

**Note 17 Municipal Requisitions**

	<u>2015</u>	<u>2014</u>
Mountain View County	\$ 634,077	\$ 635,370
Town of Olds	182,555	181,228
Town of Didsbury	75,861	76,782
Town of Sundre	50,733	50,955
Town of Carstairs	68,502	66,761
Village of Cremona	<u>6,272</u>	<u>6,904</u>
	<b><u>\$ 1,018,000</u></b>	<b><u>\$ 1,018,000</u></b>

**Note 18 Administrative Expenses**

Included in expenditures is administrative expenses in the amount of \$1,311,668 (2014 - \$1,308,525).

**Note 19 Transactions with Mountain View Housing Foundation**

Mountain View Housing Foundation is a society which was established in 2002. The Foundation was set up to be the fundraiser for the benefit of Mountain View Seniors' Housing. During the year, the organization received \$10,706 (2014 - \$21,437) in capital contributions from Mountain View Housing Foundation and \$25,396 (2014 - \$13,268) in operating contributions.

**Note 20 Commitments**

The organization has committed to contracts for management and administration consulting services, information technology services, Chief Administrative Officer services, general construction contractor services, administration office lease and maintenance services contracts expiring from March 2016 to October 2023. Expected payments are as follows:

2016	<b>4,910,998</b>
2017	<b>693,636</b>
2018	<b>469,214</b>
2019	<b>349,123</b>
2020	<b>222,963</b>
Thereafter	<b>265,519</b>
	<hr/>
	<b>\$ 6,911,453</b>

The organization has a contract, expiring October 2018, to purchase natural gas at a fixed rate of \$4.62/GJ. Total commitment is based on usage and is therefore not readily determinable.

The organization has a contract, expiring May 2018, to purchase electricity at fixed rate of \$58.69/MWh. Total commitment is based on usage and is therefore not readily determinable.

**Note 21 Subsequent Events**

Subsequent to year end, the \$6,345,704 CMHC grant funding received (note 14) was paid toward the loan principal and \$995,036 was drawn on the loan for the Sundre capital project. This has decreased the balance on the loan to \$13,949,458 from \$19,300,126. During the course of the Sundre capital project, monthly draws are expected. The project is expected to run from August 2014 to July 2016.

**Note 22 Comparative Amounts**

The presentation of certain accounts of the previous year has been changed to conform to the presentation adopted for the current year.

**Note 23 Change in Accounting Policy**

Mountain View Seniors' Housing has a change in accounting policy which has been applied retroactively. On the Statement of Net Assets there is no longer disclosure to separate out the invested in capital asset portion from the unrestricted net assets. Additional note disclosure is provided in Note 15. This change in accounting policy has no material impact on these financial statements.

**Mountain View Seniors' Housing  
Statement of Lodge Operations  
As at December 31, 2015**

	Aspen Ridge Lodge	Chinook Winds Lodge	Foothills Lodge	Mount View Lodge	New Sundre Lodge	2015 Total	2014 Total
<b>Revenues</b>							
Rent revenue and service fees	\$1,470,399	\$892,430	\$888,364	\$1,977,812	-	5,229,005	\$5,136,539
MVSH Subsidy for Low Income Residents	(94,968)	(151,475)	(190,107)	(327,050)	-	(763,600)	(762,692)
Health Authority Grants	1,953,550	143,206	409,644	597,724	-	3,104,124	3,130,013
Requisitions - municipalities (Note 16)	264,680	193,420	203,600	356,300	-	1,018,000	1,018,000
Amortization of deferred capital contributions	2,144	-	-	237,892	-	240,036	235,352
Sundry	19,024	13,687	15,276	24,928	15,567	88,482	61,997
Other Grants and donations	11,026	6,750	6,368	10,519	-	34,663	32,307
Interest	1,056	765	783	1,402	-	4,006	15,246
	<u>3,626,911</u>	<u>1,098,783</u>	<u>1,333,928</u>	<u>2,879,527</u>	<u>15,567</u>	<u>8,954,716</u>	<u>8,866,762</u>
<b>Expenditures</b>							
Salaries, wages and benefits	2,448,497	749,282	942,731	1,333,831	-	5,474,341	5,265,123
Maintenance and facility services	171,036	92,935	101,019	127,248	-	492,238	572,224
Telephone & utilities	131,077	99,375	93,078	176,196	-	499,726	523,879
Amortization	144,906	36,349	24,264	503,451	-	708,970	693,568
Food, kitchen and linen supplies	199,548	116,194	113,680	225,566	-	654,988	618,191
Interest and bank charges	181,200	18,779	19,225	277,155	-	496,359	520,472
Purchased services	90,076	63,452	65,718	116,919	-	336,165	333,333
Staff training, travel & memberships	24,848	12,922	16,428	24,100	21,846	100,144	89,477
Office & miscellaneous	32,486	14,048	17,379	26,224	-	90,137	76,305
Rent	13,456	9,744	9,977	17,866	-	51,043	66,450
Insurance	10,909	7,900	8,088	14,482	-	41,379	37,093
Resident travel and activities	22,446	10,946	5,717	11,104	-	50,213	46,518
Resident Care contracts and health care supplies	23,758	2,098	2,731	10,802	-	39,389	33,728
Audit	3,956	2,865	2,934	5,254	-	15,009	17,320
Bad Debt	8,787	186	887	-	-	9,860	-
Directors' expenses	5,084	3,682	3,770	6,750	-	19,286	19,045
	<u>3,512,070</u>	<u>1,240,757</u>	<u>1,427,626</u>	<u>2,876,948</u>	<u>21,846</u>	<u>9,079,247</u>	<u>8,912,726</u>
<b>Excess (Deficiency) of revenue over expenditures</b>	<b>\$ 114,841</b>	<b>\$ (141,974)</b>	<b>\$ (93,698)</b>	<b>\$ 2,579</b>	<b>\$ (6,279)</b>	<b>\$ (124,531)</b>	<b>\$ (45,964)</b>