

Camrose and Area Lodge Authority  
Statement of Financial Position  
As At December 31, 2016

	2016	2015
<b>Assets</b>		
Current		
Cash and cash equivalents (Note 3)	\$ 290,254	\$ 289,262
Accounts receivable (Note 4)	<u>49,995</u>	<u>139</u>
	340,249	289,401
Tangible capital assets (Note 5)	<u>60,512</u>	<u>72,487</u>
Total assets	<u>\$ 400,761</u>	<u>\$ 361,888</u>
<b>Liabilities</b>		
Current		
Accounts payable (Note 6)	<u>\$ 22,839</u>	<u>\$ 76,739</u>
	<u>22,839</u>	<u>76,739</u>
<b>Net Assets</b>		
Unrestricted net assets	173,437	68,689
Internally restricted net assets (Note 8)	143,973	143,973
Net assets invested in tangible capital assets	<u>60,512</u>	<u>72,487</u>
	<u>377,922</u>	<u>285,149</u>
Total liabilities and net assets	<u>\$ 400,761</u>	<u>\$ 361,888</u>

Camrose and Area Lodge Authority  
Statement of Changes in Net Assets  
for the year ended December 31, 2016

	2016			2015	
	Unrestricted Net Assets	Internally Restricted Net Assets (Note 8)	Net Assets Invested In Tangible Capital Assets	Total Net Assets	Total
Beginning balance	\$ 68,689	\$ 143,973	\$ 72,487	\$ 285,149	\$ 356,369
Excess (Deficiency) of revenue over expenses	92,773	-	-	92,773	(71,220)
Amortization of tangible capital assets	14,004	-	(14,004)	-	-
Purchases of tangible capital assets	(2,029)	-	2,029	-	-
Ending balance	<u>\$ 173,437</u>	<u>\$ 143,973</u>	<u>\$ 60,512</u>	<u>\$ 377,922</u>	<u>\$ 285,149</u>

Camrose and Area Lodge Authority  
Statement of Operations  
For the Year Ended December 31, 2016

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
<b>Revenue</b>			
Accommodation	\$ 1,579,912	\$ 1,678,300	\$ 1,087,807
Grants	360,697	330,700	316,460
Recoveries	35,539	18,500	28,546
Investments	-	-	2,397
Miscellaneous	<u>1,750</u>	<u>1,100</u>	<u>3,454</u>
	<u>1,977,898</u>	<u>2,028,600</u>	<u>1,438,664</u>
<b>Expenses</b>			
Building and ground maintenance	193,707	223,800	214,792
Conferences and travel	99	1,100	927
Amortization of tangible capital assets	14,004	-	9,262
Equipment repairs and maintenance	-	-	4,093
Food and kitchen supplies	223,943	246,900	180,395
Insurance	1,943	1,700	2,070
Laundry and linen supplies	29,037	28,200	2,158
Administration management	81,496	81,500	93,000
Office supplies, expenses and postage	109,699	105,500	109,797
Professional fees	9,428	5,600	6,302
Small equipment	143,598	4,100	4,216
Telephone	9,508	2,000	2,968
Utilities	195,720	155,400	162,922
Wages and benefits	<u>1,098,986</u>	<u>1,231,000</u>	<u>1,106,981</u>
	<u>2,111,168</u>	<u>2,086,800</u>	<u>1,899,883</u>
Deficiency of revenue over expenses before requisitions and other items	(133,270)	(58,200)	(461,220)
Requisitions (Note 10)	230,000	230,000	390,000
(Loss) on disposal of assets	<u>(3,957)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of revenue over expenses	<u>\$ 92,773</u>	<u>\$ 171,800</u>	<u>\$ (71,220)</u>

Camrose and Area Lodge Authority  
Statement of Cash Flows  
For the Year Ended December 31, 2016

	2016	2015
Cash provided (used) by operating activities:		
Excess (deficiency) of revenue over expenses	\$ 92,773	\$ (71,220)
Items not involving cash:		
Amortization of tangible capital assets	14,004	9,262
Realized loss on disposal of assets	<u>3,957</u>	<u>-</u>
	110,734	(61,958)
Changes in operating net assets:		
Accounts receivable	(120,343)	158,803
Accounts payable	<u>16,586</u>	<u>(39,004)</u>
	6,977	57,841
Cash provided (used) by investing activities:		
Purchase of tangible capital assets	<u>(5,985)</u>	<u>-</u>
Increase in cash during the year	992	57,841
Cash and cash equivalents - beginning of year	<u>289,262</u>	<u>231,421</u>
Cash and cash equivalents - end of year	<u>\$ 290,254</u>	<u>\$ 289,262</u>

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Camrose and Area Lodge Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**1. Nature of Operations:**

Camrose and Area Lodge authority (CALA) was established as a management body by Ministerial Order, pursuant to the Alberta Housing Act. It is responsible for the operation and administration of Stoney Creek Lodge, until its closure in May 2015, and Rosealta Lodge in Camrose, Alberta.

CALA 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 organization set out in the CPA Canada Public Sector Accounting (PSA) Handbook.

a) Use of Estimates:

The preparation of these statements requires the management body 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 management body 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 accommodation 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. 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. Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting. Net investment income that is not subject to externally imposed restrictions is recognized in the statement of operations.

c) Contributed supplies and services:

The management body may recognize contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

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Camrose and Area Authority Lodge  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**2. Significant Accounting Policies (continued):**

d) Cash and cash equivalents:

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

e) Tangible capital assets:

Tangible capital assets acquired are recorded at cost. When the management body 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 on the "straight-line" method over the estimated useful life of each asset using the following expected life:

Equipment	5 to 10 years
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When the management body recognizes that a tangible capital asset no longer has any long-term service potential, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

f) Financial assets and liabilities:

Upon initial measurement, the management body's financial assets and liabilities are measured at fair value, which, in the case of financial assets or liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

At each reporting date, the management body measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets). The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable and accounts payable.

With respect to financial assets measured at amortized cost, the management body 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.

Camrose and Area Lodge Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

**3. Cash and Cash Equivalents:**

	2016	2015
Cash and cash equivalents consist of		
Cash on hand	\$ 600	\$ 639
Balances with banks, net of outstanding cheques and deposits	<u>289,654</u>	<u>288,623</u>
	<u>\$ 290,254</u>	<u>\$ 289,262</u>

The Board of Camrose and Area Lodge Authority has internally restricted \$143,973 of cash as reserves for future major maintenance repairs and upgrades to the lodges as indicated in Note 8.

**4. Account Receivable:**

	2016	2015
Resident rents receivable	\$ 640	\$ -
GST Receivable	9,514	-
Due from Bethany Nursing Home of Camrose, Alberta	39,693	-
Accrued interest receivable	<u>148</u>	<u>139</u>
	<u>\$ 49,995</u>	<u>\$ 139</u>

**5. Tangible Capital Assets:**

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	<u>\$ 175,548</u>	<u>\$ (115,036)</u>	<u>\$ 60,512</u>	<u>\$ 72,487</u>

**6. Accounts Payable:**

	2016	2015
Due to Bethany Nursing Home of Camrose, Alberta	\$ -	\$ 70,487
Accrued expenses and prepaid rent	5,800	6,252
Trade payables	731	-
Accrued vacation and named holiday benefits	<u>16,308</u>	<u>-</u>
	<u>\$ 22,839</u>	<u>\$ 76,739</u>

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Camrose and Area Lodge Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**7. Related Party Transactions:**

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

Bethany Nursing Home of Camrose, Alberta 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 (\$39,693) (2015 - \$70,487) This amount is included in the accounts receivable reflected on the statement of financial position.

The lodges paid \$81,496 (2015 - \$93,000) for shared administrative services, \$27,683 (2015 - \$36,059) for yard maintenance services, and \$79,836 (2015 - \$78,954) for shared general maintenance 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 Camrose and Area Lodge Authority Board of Directors. Net assets have been internally restricted to fund major future capital expenditures.

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Camrose and Area lodge Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**9. Financial Instruments:**

The management body 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 management body'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.

*Liquidity risk*

Liquidity risk is the risk the management body may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The management body'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
City of Camrose	\$ 235,868	\$ 322,575
County of Camrose	157,625	217,580
Town of Bashaw	<u>6,507</u>	<u>9,845</u>
	400,000	550,000
Less: amount contributed to Bashaw Meadows	<u>(170,000)</u>	<u>(160,000)</u>
Contribution to Lodge Authority operations	<u>\$ 230,000</u>	<u>\$ 390,000</u>

In June 2013, Bashaw Valley Lodge was closed and the Lodge residents moved to a new facility, Bashaw Meadows, which is owned and operated by Bethany Nursing Home of Camrose, Alberta. Bashaw Meadows provides both Lodge and Supportive Living Services. The Camrose and Area Lodge Authority has committed a contribution to Bashaw Meadows in 2016 of \$170,000 (2015 - \$160,000) from requisition.