
FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

MANAGEMENT BODY: HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)

LOCATION (MUNICIPALITY): Hythe, Alberta

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Independent Auditor's Report

To the Board of Hythe & District Pioneer Homes (Advisory Committee):

Opinion

We have audited the financial statements of Hythe & District Pioneer Homes (Advisory Committee) (the "Organization"), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets and restricted operating reserve fund, statement of operations, 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 the Organization as at December 31, 2018, 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 Organization 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 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 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 Organization'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 liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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 than 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 Organization'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 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 Organization'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 Organization 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.

Grande Prairie, Alberta

April 16, 2019

MNP LLP
Chartered Professional Accountants

CERTIFICATION BY THE MANAGEMENT BODY

To the best of my knowledge and belief, the statements and schedules included in this report are true and correct, as at December 31, 2018 for the management body legally known as:

HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)

To the best of my knowledge and belief, all assets and liabilities of the management body are fairly stated in the Statement of Financial Position included herein.

To the best of my knowledge and belief, tenant incomes have been verified and rentals charged are in accordance with the established incomes and the applicable rent-to-income scale.

In addition, I certify that the above named management body is legally incorporated under the Alberta Housing Act and is in good standing at this date.

DATE: May 21, 2019

CHAIRMAN OF THE BOARD OF DIRECTORS: Chris Perry

HYTHE, ALBERTA

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018**

MANAGEMENT BODY: HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)

	December 31, 2018				December 31, 2017
	Total	Lodge	Social Housing	Other	Total
CURRENT ASSETS					
Cash	36,464.06	499.90	-	35,964.16	35,096.07
Cash - tenant security deposits	14,700.88	-	5,444.32	9,256.56	11,516.90
Cash - restricted	44,521.28	38,121.28	6,400.00	-	747,436.82
Accounts receivable (note 3)	323,079.69	316,447.83	343.93	6,287.93	1,362,658.30
Short-term investments (note 4)	208,030.11	-	-	208,030.11	206,302.21
Prepaid expenses	13,085.97	10,018.67	843.76	2,223.54	13,719.28
	639,881.99	365,087.68	13,032.01	261,762.30	2,376,729.58
LOAN RECEIVABLE (note 5)	357,881.24	357,881.24	-	-	364,956.36
CAPITAL ASSETS (schedule I)	1,678,736.04	1,496,821.16	17,016.88	164,898.00	7,678,831.78
TOTAL ASSETS	2,676,499.27	2,219,790.08	30,048.89	426,660.30	10,420,517.72
CURRENT LIABILITIES					
Bank overdraft (note 6)	65,096.39	62,318.87	2,777.52	-	-
Accounts payable and accrued liabilities (note 7)	124,151.88	101,098.77	18,075.04	4,978.07	2,187,862.17
Accrued wages and benefits	65,653.62	65,653.62	-	-	62,885.44
Tenant security deposits payable	14,700.88	-	5,444.32	9,256.56	11,516.90
Deferred revenue (note 8)	7,697.52	4,197.70	2,299.82	1,200.00	76,566.44
Due to Alberta Social Housing Corporation	-	-	-	-	-
Restricted operating reserve fund (note 9)	6,400.00	-	6,400.00	-	6,400.00
Term loan due on demand (note 10)	3,387,201.00	3,387,201.00	-	-	3,107,112.00
	3,670,901.29	3,620,469.96	34,996.70	15,434.63	5,452,342.95
LONG-TERM LIABILITIES					
Deferred capital grants (note 11)	12,945.00	-	12,945.00	-	3,095,780.87
TOTAL LIABILITIES	3,683,846.29	3,620,469.96	47,941.70	15,434.63	8,548,123.82
Commitments (note 15)					
Contingencies (note 16)					
SURPLUS, EQUITY AND RESERVES					
Accumulated surplus (deficit)	(2,470,749.06)	(2,652,720.04)	(21,964.69)	203,935.67	202,302.49
Capital reserve (note 12)	199,448.50	157,056.50	-	42,392.00	194,152.50
Invested in capital assets	1,263,953.54	1,094,983.66	4,071.88	164,898.00	1,475,938.91
TOTAL NET ASSETS	(1,007,347.02)	(1,400,679.88)	(17,892.81)	411,225.67	1,872,393.90
TOTAL LIABILITIES AND NET ASSETS	2,676,499.27	2,219,790.08	30,048.89	426,660.30	10,420,517.72

HYPHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial Instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook 3840 Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. With the exception of financial instruments indexed to a measure of the Organization's performance or value of its equity and those instruments designated as fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (shortfall) of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

g) Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when there are numerous assets affected by the same factors and/or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (shortfall) in the year the reversal occurs.

h) Allocation of Expenses

The Organization engages in operating and managing social programs aimed at providing affordable housing to low-income Albertans. The costs of each project include property taxes, utilities, and operating expenses that are directly related to each project. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its projects.

The Organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that consistently each year. General administration expenses are allocated to the projects proportionately based on the number of units in the portfolio.

i) Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

j) Long-lived assets and discontinued operations

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived 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. Write-downs are not reversed.

HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Measurement uncertainty (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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and loan receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets and deferred capital contributions is based on the estimated useful lives of capital assets.

These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the excess (shortfall) in the years in which they become known.

3 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

				<u>2018</u>	<u>2017</u>
	<u>Lodge</u>	<u>Social Housing</u>	<u>Other</u>	<u>TOTAL</u>	<u>TOTAL</u>
Tenant receivables	68.80	343.93	50.00	462.73	1,595.62
GST	316,379.03	-	-	316,379.03	250,384.81
Other	-	-	6,237.93	6,237.93	1,110,677.87
	316,447.83	343.93	6,287.93	323,079.69	1,362,658.30

4 SHORT-TERM INVESTMENTS

	<u>Lodge</u>	<u>Social Housing</u>	<u>Other</u>	<u>2018</u>	<u>2017</u>
Guaranteed investment certificate bearing interest at 0.55% (2017 - 0.55%), maturing March 2019	-	-	155,475.11	155,475.11	153,929.34
Guaranteed investment certificate bearing interest at 1.90% (2017 - 1.35%), maturing March 2019	-	-	51,100.00	51,100.00	51,080.78
	-	-	206,575.11	206,575.11	205,010.12
Accrued interest	-	-	1,455.00	1,455.00	1,292.09
	-	-	208,030.11	208,030.11	206,302.21

5 LOAN RECEIVABLE

Loan receivable from Hythe Pioneer Homes Foundation, related as they are controlled by the same Board of Directors, with no specific repayment terms or interest, secured by specific real property to a maximum of \$450,000.

	<u>2018</u>	<u>2017</u>
	357,881.24	364,956.36

6 BANK OVERDRAFT

The Organization has an operating line of credit bearing interest at prime plus 1.50% (2017 - prime plus 1.50%) to a maximum of \$70,000 (2017 - \$70,000) of which \$20,573 was drawn at year end (2017 - \$nil). Secured by a general security agreement and a guaranteed investment certificate in the principal sum of \$50,000. The remaining bank indebtedness is cheques issued in excess of deposits.

The Organization has an Alberta BusinessCard MasterCard bearing interest at prime plus 6.0% (2017 - prime plus 6.0%) to a maximum of \$15,500 (2017 - \$15,500) of which \$1,928 was drawn at year end (2017 - \$6,572). Secured by a general security agreement and a guaranteed investment certificate in the principal sum of \$50,000.

Bank overdraft is subject to a financial covenant as disclosed in Note 10.

HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable consist of the following:

				<u>2018</u>	<u>2017</u>
	<u>Lodge</u>	<u>Social Housing</u>	<u>Other</u>	<u>TOTAL</u>	<u>TOTAL</u>
Trade payables	49,320.75	11,045.04	3,405.57	63,771.36	43,534.47
Audit accrual	9,897.50	7,030.00	1,572.50	18,500.00	17,500.00
Construction payable	41,880.52	-	-	41,880.52	1,573,734.35
Construction holdback payable	-	-	-	-	553,093.35
	101,098.77	18,075.04	4,978.07	124,151.88	2,187,862.17

8 DEFERRED REVENUE

Deferred revenue consists of the following:

				<u>2018</u>	<u>2017</u>
	<u>Lodge</u>	<u>Social Housing</u>	<u>Other</u>	<u>TOTAL</u>	<u>TOTAL</u>
Lodge assistance program - maintenance	-	-	-	-	6,591.14
Lodge assistance program - operating grant	-	-	-	-	63,738.50
Prepaid tenant rent	4,197.70	2,299.82	1,200.00	7,697.52	6,236.80
	4,197.70	2,299.82	1,200.00	7,697.52	76,566.44

9 RESTRICTED OPERATING RESERVE

Restricted operating reserve consists of funds advanced by the Alberta Seniors & Housing which are to be held in reserve for future operating expenses related to cash flow, emergency items, an approved expenditure or as instructed by Alberta Seniors & Housing.

10 TERM LOAN DUE ON DEMAND

Non-revolving demand loan bearing interest at prime plus 1.57% to a maximum of \$7,117,333. Interest only payable monthly. Secured by a land mortgage in the principal sum of \$7,150,000 constituting a first fixed charge on the lands located at Lots D, Plan 2670TR excepting subdivision Plan 7921761; a general assignment of leases and rents on the lands described above, assignment of major development agreements, permits and approvals relating to the Pioneer Place project; assignment of major construction contracts relating to the Pioneer Place project; and a general security agreement constituting a floating charge on all land.

	<u>2018</u>	<u>2017</u>
	3,387,201.00	3,107,112.00

Term loan due on demand and operating line of credit are subject to a financial covenant with respect to maintaining a debt service coverage ratio of not less than 1.3:1. The lender will commence analysis of covenants in the first year following lease-up of the subject property or 24 months after completion of construction; whichever date arrives first.

HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

11 DEFERRED CAPITAL GRANTS

	2018		2017	
	<u>Grant</u>	<u>d Amortization</u>	<u>Net</u>	<u>Net</u>
Grant received to assist in funding the construction of Pioneer Place, as the project was rendered wasted, damaged and unusable due to water damage and mold and the capital asset was written down to fair value, the corresponding grant was written off.	-	-	-	3,080,677.87
Grant received to assist in funding the purchase of equipment is being amortized over 10 years; the rate at which the corresponding asset is being amortized.	21,576.66	8,631.66	12,945.00	15,103.00
	21,576.66	8,631.66	12,945.00	3,095,780.87

12 CAPITAL RESERVE

These reserves have been established to accumulate general income for capital or operating purposes, including emergency expenditures as approved by the Board.

13 ECONOMIC DEPENDENCE

The Organization's primary source of income is derived from the rental of lodge and housing accommodations in buildings that are owned by the provincial government. The provincial government reserves the right to remove the rental properties from the Organization's control if they do not observe established guidelines. The Organization's ability to continue viable operations is dependent on maintaining its right to act as an incorporated management body. As at the date of these financial statements the Organization believes that it is in compliance with the guidelines.

14 FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rate. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily relating to its operating line of credit and long-term debt which bear interest based on the prime lending rate.

15 COMMITMENTS

During the year, the Organization entered into the following contracts with respect to the Pioneer Place construction project:

- a) contract for architectural services with Rockliff Pierzchajilo Architects & Planners Ltd for a fixed fee of \$209,296 plus disbursements. As at December 31, 2018, \$240,974 has been paid towards this contract;
- b) project development management agreement with Connecting Care (2000) Inc. for a fee of 2.5% of total development costs to be paid monthly in instalments of \$10,000 and reconciled semi-annually to total development costs incurred. As at December 31, 2018, \$280,367 has been paid towards this contract.

16 CONTINGENCIES

The Organization has been named as a defendant in a lawsuit along with two other parties. The Plaintiff is seeking to recover damages sustained by them as a result of a fire loss that occurred in 2015. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the outcome of the lawsuit or to estimate the loss, if any, which may result. The Organization's insurers have been advised of these claims and are cooperating with the Organization in the defence of this lawsuit.

The Organization has filed a statement of claim against insurance regarding the building under construction in an attempt to recover damages sustained by them due to wasted, damaged and unusable work in Phase One and Phase Two of the construction project. As this claim is at an early stage, and it is subject to many uncertainties, it is not possible to predict the outcome or to estimate the recovery, if any, which may result.

As the Pioneer Place project has been rendered wasted, damaged and unusable there may be future costs incurred to remediate the site and removal of the materials. As there is much uncertainty regarding when the site remediation would take place it is not possible to estimate the possible cost.

17 LOSS ON WRITE DOWN OF CAPITAL ASSETS

Loss on write down of capital assets consists of the following:

Building under construction - Pioneer Place project written down to its estimated fair value at December 31, 2018; net of holdbacks payable	6,264,571.39
Unamortized deferred capital contributions related to Pioneer Place project	(3,546,000.00)
	2,718,571.39

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDING DECEMBER 31, 2018**

MANAGEMENT BODY: Hythe & District Pioneer Homes (Advisory Committee)

PROJECT NAME: Lodge

	2018	2017
REVENUE		
Grants for restricted purposes	6,591.14	7,611.48
Interest	1,699.11	1,088.08
Recoveries - laundry, parking, satelite and meal service	80,087.75	55,755.35
Lodge assistance program grant	282,109.00	231,775.00
Rental revenue	1,283,390.25	1,274,763.50
Sundry revenue	64,602.33	6,790.26
Grants - Transportation, employment, and other	13,556.00	22,364.00
Total Revenue	1,732,035.58	1,600,147.67
EXPENSES		
Utilities		
Electricity	62,703.93	58,152.33
Heating fuel	30,725.34	31,001.97
Waste removal	7,806.02	7,448.12
Water and sewer	12,054.18	8,458.42
Cable TV	25,220.01	15,733.60
Total Utilities	138,509.48	120,794.44
Operating Expenses		
Bad debts expense	493.20	-
Equipment & furnishings	8,585.96	9,046.40
Food supplies	192,374.60	200,904.87
Housekeeping supplies/resident operations	36,720.92	36,406.30
Insurance	6,754.45	5,031.72
Resident services	9,025.57	14,874.20
Repairs and maintenance	91,500.00	74,010.66
Wages & employee benefits	1,192,091.36	1,247,336.74
Total Operating Expenses	1,537,546.06	1,587,610.89
Administration Expenses		
Conferences, travel & staff training	4,498.28	9,267.38
Interest and bank charges	1,151.49	1,252.07
Office and memberships	10,213.27	13,853.54
Professional fees	16,067.40	14,160.24
Sundry	5,806.65	1,314.00
Telephone	5,054.38	6,958.02
Total Administration Expenses	42,791.47	46,805.25
Total Non-Recurring Maintenance	-	-
Total Expenses	1,718,847.01	1,755,210.58
Operating Excess (Deficiency) of Revenue over Expenses	13,188.57	(155,062.91)
Amortization Expense	156,625.95	158,500.00
Loss on write down of capital assets net of capital grants	2,718,571.39	-
Net Deficiency of Revenue over Expenses	(2,862,008.77)	(313,562.91)

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDING DECEMBER 31, 2018**

MANAGEMENT BODY: Hythe & District Pioneer Homes (Advisory Committee)

PROJECT NAME: Commercial Space

UNITS: 1

	2018	2017
REVENUE		
Rental revenue	74,850.00	73,000.00
Sundry revenue	11,781.84	-
Utilities recovered	-	-
Total Revenue	86,631.84	73,000.00
EXPENSES		
Taxes & land leases	12,424.28	8,381.62
Utilities		
Electricity	4,719.66	4,340.59
Heating fuel	9,049.74	7,717.57
Total Utilities	13,769.40	12,058.16
Operating Expenses		
Housekeeping supplies	-	-
Insurance	26.30	329.57
Repairs and maintenance	2,667.58	3,599.44
Wages and Employee Benefits	9,749.09	6,431.14
Total Operating Expenses	12,442.97	10,360.15
Administration Expenses		
Conferences, travel & staff training	248.67	260.62
Interest and bank charges	43.08	32.32
Office and memberships	5,245.29	5,563.26
Professional fees	682.20	1,608.48
Telephone	-	-
Sundry	730.34	84.78
Total Administration Expense	6,949.58	7,549.46
Total Expenses	45,586.23	38,349.39
Operating Excess of Revenue over Expenses	41,045.61	34,650.61
Amortization expense	-	-
Loss on disposal of capital assets	-	-
Net Excess of Revenue over Expenses	41,045.61	34,650.61

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDING DECEMBER 31, 2018**

MANAGEMENT BODY: Hythe & District Pioneer Homes (Advisory Committee)

PROJECT NAME: AFFORDABLE HOUSING - 4-PLEXES

UNITS: 8

	2018	2017
REVENUE		
Rental revenue	50,785.00	51,341.18
Sundry revenue	46.41	1,620.77
Utilities recovered	33.68	-
Total Revenue	50,865.09	52,961.95
EXPENSES		
Taxes & land leases	8,613.32	8,070.33
Utilities		
Electricity	575.05	1,843.17
Heating fuel	3,184.62	3,239.39
Waste removal	1,293.90	1,292.08
Water and sewer	2,544.41	11,553.26
Satelite TV	8.16	431.77
Total Utilities	7,606.14	18,359.67
Operating Expenses		
Bad debts	-	-
Housekeeping supplies/resident operations	1,040.00	438.22
Insurance	3,689.58	5,220.62
Repairs and maintenance	18,369.39	3,892.64
Wages and employee benefits	18,995.26	13,060.15
Total Operating Expenses	42,094.23	22,611.63
Administration expenses		
Conferences, travel & staff training	504.60	562.48
Interest and bank charges	86.76	65.63
Office and memberships	10,647.17	13,281.00
Professional fees	2,339.41	1,990.52
Sundry	182.36	172.15
Telephone expense	-	335.48
Total Administration Expense	13,760.30	16,407.26
Total Expenses	72,073.99	65,448.89
Operating Excess of Revenue over Expenses	(21,208.90)	(12,486.94)
Amortization	22,290.00	22,290.00
Net Deficiency of Revenue over Expenses	(43,498.90)	(34,776.94)

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDING DECEMBER 31, 2018**

MANAGEMENT BODY: Hythe & District Pioneer Homes (Advisory Committee)

PROJECT NAME: SOCIAL HOUSING PORTFOLIO

UNITS: 32

	2018	2017
REVENUE		
ASHC - Deficit Funding	5,828.00	5,828.00
Grants for restricted purposes	-	3,478.08
Rental revenue	186,955.83	193,506.18
Sundry revenue	-	150.00
Utilities recovered	6,869.54	5,500.00
Total Revenue	199,653.37	208,462.26
EXPENSES		
Taxes & land leases	-	-
Utilities		
Electricity	11,560.24	9,488.99
Heating fuel	22,793.25	23,269.73
Waste removal	5,262.70	6,362.49
Water and sewer	8,770.55	11,928.76
Total Utilities	48,386.74	51,049.97
Operating Expenses		
Bad debts	-	565.00
Housekeeping supplies/resident operations	2,250.27	674.20
Insurance	1,171.20	955.10
Repairs and maintenance	41,721.20	44,194.27
Sundry	-	-
Wages & employee benefits	55,517.32	64,690.34
Total Operating Expenses	100,659.99	111,078.91
Administration expenses		
Conferences, travel & staff training	2,018.40	3,183.43
Interest and bank charges	347.04	262.48
Office and memberships	42,588.67	51,538.87
Professional fees	6,957.63	9,654.57
Sundry	1,665.01	688.61
Telephone	-	-
Total Administration Expense	53,576.75	65,327.96
Total Expenses	202,623.48	227,456.84
Operating Excess of Revenue over Expenses	(2,970.11)	(18,994.58)
Amortization expense	5,640.00	5,640.00
Amortization of capital grant	(2,158.00)	(2,158.00)
Gain/loss on disposal of capital assets	-	-
Surplus repayable to Alberta Social Housing Corporation	-	-
Net Deficiency of Revenue over Expenses	(6,452.11)	(22,476.58)

**SCHEDULE I
CHANGES IN CAPITAL PROPERTY**

MANAGEMENT BODY: HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)

PROJECT NAME: LODGE

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
COST				
Equipment & Furnishings	646,675.25	3,707.37	-	650,382.62
Buildings	2,301,271.04	4,505.21	-	2,305,776.25
Buildings under construction (Note 1)	5,863,968.42	1,207,064.59	7,068,616.96	2,416.05
Land improvements & site services (Note 1)	323,821.45	37,800.00		361,621.45
Landscaping	14,860.11	-	-	14,860.11
TOTAL COST	9,150,596.27	1,253,077.17	7,068,616.96	3,335,056.48
ACCUMULATED AMORTIZATION				
Equipment	482,795.22	58,548.74	-	541,343.96
Buildings	1,186,926.04	96,591.21	-	1,283,517.25
Landscaping	11,888.11	1,486.00	-	13,374.11
ACCUMULATED AMORTIZATION	1,681,609.37	156,625.95	-	1,838,235.32
TOTAL CAPITAL ASSETS NET OF ACCUMULATED AMORTIZATION	7,468,986.90	1,096,451.22	7,068,616.96	1,496,821.16

Note 1: During the year, Phase One units, most of Phase Two units and all of the contents of the building under construction was rendered wasted, damaged and unusable due to water damage and mold. As a result, the project was written down to its estimated fair value as at December 31, 2018.

PROJECT NAME: COMMERCIAL SPACE & AFFORDABLE HOUSING

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
COST				
Furniture and fixtures	17,391.96	-	-	17,391.96
Buildings	406,197.47	-	-	406,197.47
Landscaping	15,900.00	-	-	15,900.00
Land	20,000.00	-	-	20,000.00
TOTAL COST	459,489.43	-	-	459,489.43
ACCUMULATED AMORTIZATION				
Furniture and fixtures	14,271.96	390.00	-	14,661.96
Buildings	243,719.47	20,310.00	-	264,029.47
Landscaping	14,310.00	1,590.00	-	15,900.00
ACCUMULATED AMORTIZATION	272,301.43	22,290.00	-	294,591.43
TOTAL CAPITAL ASSETS NET OF ACCUMULATED AMORTIZATION	187,188.00	(22,290.00)	-	164,898.00

**SCHEDULE I
CHANGES IN CAPITAL PROPERTY**

MANAGEMENT BODY: HYTHE & DISTRICT PIONEER HOMES (ADVISORY COMMITTEE)

PROJECT NAME: SOCIAL HOUSING

DESCRIPTION	BALANCE AT BEGINNING OF THE YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF THE YEAR
COST				
Equipment	67,841.48	-	-	67,841.48
Buildings	-	-	-	-
Land	-	-	-	-
TOTAL COST	67,841.48	-	-	67,841.48
ACCUMULATED AMORTIZATION				
Equipment	45,184.60	5,640.00	-	50,824.60
Buildings				-
ACCUMULATED AMORTIZATION	45,184.60	5,640.00	-	50,824.60
TOTAL CAPITAL ASSETS				
NET OF ACCUMULATED AMORTIZATION	22,656.88	(5,640.00)	-	17,016.88