

**PIPER CREEK FOUNDATION**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2015**



Tel: 403 342 2500  
Fax: 403 346 3070  
www.bdo.ca

BDO Canada LLP  
Millennium Centre  
600, 4909 49 Street  
Red Deer AB T4N 1V1 Canada

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Piper Creek Foundation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Piper Creek Foundation, which comprise the consolidated statement of financial positions as at December 31, 2015 and the consolidated statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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## INDEPENDENT AUDITOR'S REPORT

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### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Piper Creek Foundation as at December 31, 2015 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.

*BDO Canada LLP*

Red Deer, Alberta  
May 6, 2016

Chartered Professional Accountants

**PIPER CREEK FOUNDATION**  
**Consolidated Statement of Financial Position**  
**December 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Notes 2, 3)	\$ 1,278,092	\$ 1,593,487
Short term investments (Notes 2, 6)	100,283	135,542
Accounts receivable	166,057	24,467
Municipal requisition receivable (Note 4)	433,289	167,300
Prepaid expenses	110,760	119,293
	<b>2,088,481</b>	2,040,089
PROPERTY AND EQUIPMENT (Note 5)	9,911,264	10,369,981
LONG TERM INVESTMENTS (Notes 2, 6)	1,382,456	1,314,938
	<b>\$13,382,201</b>	<b>\$13,725,008</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable (Note 7)	\$ 525,581	\$ 387,871
Due to Alberta Municipal Affairs (Note 8)	261,361	393,451
Vacation payable	229,693	218,986
Security deposits received	182,211	179,833
Scheduled cash repayments required in the next 12 months (Note 9)	156,668	1,341,766
Deferred income	-	23,130
	<b>1,355,514</b>	2,545,037
Callable debt not yet due (Note 9)	2,433,013	2,502,037
	<b>3,788,527</b>	5,047,074
LONG TERM DEBT (Note 9)	1,104,677	-
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	5,138,510	5,398,493
RESTRICTED OPERATING RESERVE FUND (Note 11)	70,800	70,800
	<b>10,102,514</b>	10,516,367
COMMITMENTS (Note 14)		
<b>NET ASSETS</b>		
NET ASSETS INVESTED IN CAPITAL ASSETS	1,078,395	1,127,685
INTERNALLY RESTRICTED NET ASSETS	1,812,877	1,839,191
UNRESTRICTED NET ASSETS	388,415	241,765
	<b>3,279,687</b>	3,208,641
	<b>\$13,382,201</b>	<b>\$13,725,008</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director  
 \_\_\_\_\_ Director

**PIPER CREEK FOUNDATION**  
**Consolidated Statement of Revenues and Expenditures**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 5,944,919</b>	<b>\$ 5,963,496</b>
<b>EXPENDITURES</b>		
Advertising and promotion	45,836	33,687
Amortization	456,933	455,866
Bad debt	2,739	3,224
Electricity	362,304	354,227
Equipment rentals	18,899	14,827
Food supplies	572,953	568,779
GST expense	12,402	15,650
Heating	235,933	268,594
Housekeeping and supplies	89,213	79,651
Insurance	48,262	45,033
Interest on long term debt	49,172	65,806
Interest on short term debt	106,343	109,055
Office	33,776	48,265
Professional fees	61,843	64,141
Property taxes	108,863	301,325
Rental	95,791	89,604
Repairs and maintenance	722,355	600,807
Security	159,935	30,660
Telephone	57,618	59,050
Travel	12,406	8,874
Vehicle	14,382	21,197
Wages and benefits	4,188,090	3,940,434
Water and sewer	239,283	244,895
	<b>7,695,331</b>	<b>7,423,651</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS BEFORE REMITTANCE</b>	<b>(1,750,412)</b>	<b>(1,460,155)</b>
Alberta Municipal Affairs remittance (Note 8)	<b>(261,361)</b>	<b>(393,449)</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<b>(2,011,773)</b>	<b>(1,853,604)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Amortization of deferred capital contribution (Note 10)	259,983	258,068
Interest income	46,435	65,958
Lodge assistance grant	868,463	909,106
Maintenance grants	23,130	32,870
Municipal requisition (Note 4)	433,289	167,300
Personal care services expense recovery	391,485	381,604
Property management income	35,846	-
Sundry income	46,024	34,621
Unrealized gains/(losses) on financial instruments	(21,836)	18,115
	<b>2,082,819</b>	<b>1,867,642</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 71,046</b>	<b>\$ 14,038</b>

**PIPER CREEK FOUNDATION**  
**Consolidated Statement of Changes in Net Assets**  
**Year Ended December 31, 2015**

	Invested in Capital Assets	Internally Restricted	Unrestricted	<b>2015</b>	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,127,685	\$ 1,839,191	\$ 241,765	<b>\$ 3,208,641</b>	\$ 3,194,603
Excess of revenue over expenditures	(198,735)	-	269,781	<b>71,046</b>	14,038
Repayment of debt related to capital assets	149,445	-	(149,445)	-	-
Transfer to capital maintenance reserve	-	11,207	(11,207)	-	-
Transfer from capital maintenance reserve	-	(13,521)	13,521	-	-
Transfer from capital maintenance reserve	-	(24,000)	24,000	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,078,395</b>	<b>\$ 1,812,877</b>	<b>\$ 388,415</b>	<b>\$ 3,279,687</b>	<b>\$ 3,208,641</b>

**PIPER CREEK FOUNDATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 6,009,212	\$ 6,894,083
Cash paid to suppliers and employees	(7,354,009)	(6,991,920)
Cash received from Government of Alberta grants	868,463	680,078
Cash received from sundry income	437,509	427,483
Interest received	46,435	53,949
Interest paid	(155,516)	(174,857)
Unrealized gains (losses) on financial instruments	-	(5,134)
Cash flow from (used by) operating activities	<u>(147,906)</u>	883,682
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(19,150)
Purchase of marketable securities	(9,022)	-
Purchase of long term investments	(212,564)	(282,482)
Proceeds from sale of long term investments	203,542	155,000
Cash flow used by investing activities	<u>(18,044)</u>	(146,632)
<b>FINANCING ACTIVITIES</b>		
Repayment of callable debt	(66,197)	(63,486)
Repayment of long term debt	(83,248)	(74,383)
Cash flow used by financing activities	<u>(149,445)</u>	(137,869)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(315,395)</b>	599,181
Cash - beginning of year	<u>1,593,487</u>	994,306
<b>CASH - END OF YEAR</b>	<b><u>\$ 1,278,092</u></b>	<b>\$ 1,593,487</b>

**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

The Foundation was established September 18, 1959 by a master agreement between the Foundation, the City of Red Deer and the Government of Alberta. The Foundation was incorporated on January 1, 1996 as a management body under the Alberta Housing Act for the purpose of managing self contained rental housing units for senior citizens within the City of Red Deer. The Foundation currently manages the following lodges and apartments:

Parkvale Lodge  
Pines Lodge and Assisted Living Complex  
Piper Creek Lodge  
Canyon View Place  
Barrett Place  
Fleming Manor  
Waskasoo Towers  
Centennial Courts  
Twilight Cottages

The Foundation is a not-for-profit charitable organization and is exempt from income tax in accordance with section 149 of the Income Tax Act.

Basis of accounting

The consolidated financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis of consolidation

The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiary corporation, Conwood Seniors Housing Ltd which manages Pines Court Apartment and Creekside Apartment. All inter-company balances and transactions have been eliminated.

Capital

The Foundation considers its capital to be its net assets, restricted and unrestricted. Its restricted net assets consist of amounts from future expansion and amounts invested in capital assets. The Foundation's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide services to its clients and to allow for future expansion. Annual budgets are developed and monitored to ensure the Foundation's capital is maintained at an appropriate level.

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**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to endowment funds. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recorded directly in net assets. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets and vacation accrual. Actual results could differ from these estimates.

Cash equivalents

Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents.

Property and equipment

Property and equipment acquired subsequent to January 1, 1996 are recorded at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Equipment	5 years	straight-line method
Vehicles	10 years	straight-line method
Buildings	25 years	straight-line method
Leasehold improvements	25 years	straight-line method

Property and equipment acquired prior to January 1, 1996 were expensed when acquired.

The Piper Creek Lodge land and buildings, owned by the Piper Creek Foundation, were transferred to the Foundation by the Alberta Government in 1960 at no cost and are not recorded on the financial statements of the Foundation.

The land and buildings of Pines Lodge, Parkvale Lodge, Canyon View Place, Barrett Place, Fleming Manor, Waskasoo Towers, Centennial Courts and Twilight Cottages are owned by the Alberta Social Housing Corporation and are not recorded on the financial statements of the Foundation.

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**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed capital assets

For contributed tangible capital assets, cost is considered to be fair value at the date of contribution if fair value can be reasonably estimated.

Long term investments

Long term investments consist of banker's acceptance and government bonds that have been recorded at fair market values.

Government assistance

Government assistance for acquiring fixed assets is recorded as deferred capital contributions and is amortized to income on the same basis as the related depreciable fixed assets are depreciated. Government assistance for current expenses is recorded as income in the year to which they relate.

Revenue recognition

Rental, other residential income and lodge assistance grants are recognized as revenue in the period to which they relate.

The Foundation follows the deferral method of accounting for contribution. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Capital contributions are recorded as deferred contributions until the amount is invested in capital assets, then transferred to unamortized capital contributions. These invested capital contributions are amortized to revenue in the same period as the related amortization expense of the funded capital assets. Capital contributions for non depreciable assets are recorded as a direct increase to net assets.

Reserves

Reserves represent funds allocated for future capital expenditures and operating expenses. The reserves are established and expended in accordance with terms and conditions established by the Board.

Expense allocations

Allocation of general support expenses to buildings is done on a systematic basis for the number of units per building as a percentage of total units in all buildings.

Contributed services

Volunteers assist the Foundation in carrying out its activities. Because of the difficulty in determining fair value and the fact such assistance is not otherwise purchased, contributed services are not recognized in the financial statements.

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**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

2. CASH AND INVESTMENTS

Cash and investments includes restricted cash for the following purposes:

	<b>2015</b>	2014
Deferred income	\$ -	\$ 23,130
Due to Alberta Municipal Affairs	<b>261,361</b>	393,451
Security deposits	<b>182,211</b>	179,833
Restricted operating reserve fund	<b>70,800</b>	70,800
Internally restricted net assets	<b>1,812,877</b>	1,839,191
 Total restricted cash and investments	<b>2,327,249</b>	2,506,405
Operating cash and investments	<b>433,582</b>	537,562
 Total cash and investments	<b>2,760,831</b>	3,043,967
 Cash	<b>1,278,092</b>	1,593,487
Short term investments	<b>100,283</b>	135,542
Long term investments	<b>1,382,456</b>	1,314,938
 Total cash and investments	<b>\$ 2,760,831</b>	\$ 3,043,967

3. CONCENTRATION OF CREDIT RISK

A significant portion of the Foundation's cash are placed with a single financial institution.

4. MUNICIPAL REQUISITION RECEIVABLE

For purposes of providing lodge accommodation, the Foundation may requisition the City of Red Deer. The municipal requisition receivable in 2015 is \$433,289 (2014 - \$167,300).

**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

5. PROPERTY AND EQUIPMENT

	2015		2014	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 1,129,862	\$ -	\$ 1,129,862	\$ -
Computer equipment	34,880	34,880	34,880	34,880
Equipment	521,348	482,450	521,348	471,170
Vehicles	136,119	136,119	136,119	136,119
Buildings	11,182,068	2,938,220	11,182,068	2,536,105
Leasehold improvements	1,133,058	634,402	1,133,058	589,080
	<b>\$ 14,137,335</b>	<b>\$ 4,226,071</b>	<b>\$ 14,137,335</b>	<b>\$ 3,767,354</b>
Net book value	<b>\$ 9,911,264</b>		<b>\$ 10,369,981</b>	

Breakdown of leasehold improvements included above are as follows :

	Cost	Accumulated amortization	Cost	Accumulated amortization
Parkvale Lodge	\$ 88,653	\$ 52,445	\$ 88,653	\$ 48,899
Pines Lodge	1,044,405	581,957	1,044,405	540,181
	<b>\$ 1,133,058</b>	<b>\$ 634,402</b>	<b>\$ 1,133,058</b>	<b>\$ 589,080</b>
Net book value	<b>\$ 498,656</b>		<b>\$ 543,978</b>	

**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

6. SHORT AND LONG TERM INVESTMENTS

	2015	2014
Short term investment from Bank of Montreal investment account	<b>\$ 100,283</b>	\$ 135,542
Red Deer and District Community Foundation investment account	<b>1,126,385</b>	1,100,934
Bank of Montreal investment account	<b>250,598</b>	208,531
Piper Creek Foundation Legacy Fund (Endowment Fund)	<b>5,473</b>	5,473
	<b>\$ 1,382,456</b>	\$ 1,314,938

Red Deer and District Community Foundation Investment account consists of federal and provincial government interest-bearing bonds. The interest rates vary from 2.65% to 5.76% with interest payments semi-annually and annually. The maturity date of the investments vary from June 2016 to July 2024. The face value of the bonds are one at \$115,000, three at \$105,000, one at \$100,000, one at \$80,000, one at \$60,000, five at \$55,000, two at \$50,000 and one at \$35,000.

Bank of Montreal investment account consists of GIC's and provincial government and financial intuition interest-bearing bonds. The interest rates vary from 1.70% to 4.65% with interest payments semi-annually and annually. The maturity date of the investments vary from April 2016 to December 2019. The face value of the GIC's are \$82,864, \$80,000, \$66,350, \$49,700, and \$21,384, the face value of the bonds are \$26,581 and \$26,557.

The Foundation is regulated by the Alberta Housing Act (Management Body Operation and Administration Regulation) Section 26(1) and as a result is limited as to how it can invest surplus funds.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances totaling \$50,032 (2014 - \$36,191).

8. DUE TO ALBERTA MUNICIPAL AFFAIRS

Excess of revenues over expenditures related to the self contained buildings are repayable to Alberta Municipal Affairs.

**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

9. LONG TERM AND CALLABLE DEBT

	<b>2015</b>	2014
Mortgage bearing interest at 3.75% per annum, repayable in monthly blended payments of \$10,906. The mortgage matures on February 1, 2020 and is secured by land and building with a carrying value of \$1,421,528.	<b>\$ 1,192,325</b>	\$ 1,275,573
Demand mortgage bearing interest at 4.19% per annum, repayable in monthly blended payments of \$14,378. The demand mortgage matures on April 1, 2018 and is secured by a building with a carrying value of \$6,967,005.	<b>2,502,033</b>	2,568,230
	<b>3,694,358</b>	3,843,803
Less: scheduled cash repayments required in the next 12 months	<b>(156,668)</b>	(1,341,766)
Callable portion	<b>(2,433,013)</b>	(2,502,037)
Current portion	<b>(2,589,681)</b>	(3,843,803)
Long term portion of debt	<b>\$ 1,104,677</b>	\$ -

Canadian generally accepted accounting principles require that loans that the lender can require to be repaid on demand be classified as current liabilities.

Principal repayment terms for the long term debt are approximately:

2016	\$ 156,668
2017	162,960
2018	2,455,507
2019	98,067
2020	821,156
	<b>\$ 3,694,358</b>

10. DEFERRED CAPITAL CONTRIBUTIONS

The changes in the deferred capital contributions balances for the year are as follows:

	<b>2015</b>	2014
Balance, beginning of year	<b>\$ 5,398,493</b>	\$ 5,656,561
Less: amortized to revenue	<b>(259,983)</b>	(258,068)
Balance, end of year	<b>\$ 5,138,510</b>	\$ 5,398,493

**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

11. RESTRICTED OPERATING RESERVE FUND

The restricted operating reserve fund represents funds held in reserve for future cash flow, emergency repair/replacement items, approved expenditures or as instructed by Alberta Municipal Affairs. In 2010, a revised restricted operating reserve policy was issued and indicates that management bodies are only allowed to retain the greater of \$5,000 or \$200 per unit for purposes of a reserve to address cash flow issues and remains payable to the Government of Alberta unless approved for use as specified. No claims were made on this reserve during the year.

12. RESERVES FOR FUTURE EXPENDITURES

	Opening Balance	Transfers to Operating	Allocation from Surplus	Ending Balances
Reserve for Capital Maintenance and Development	\$ 822,816	\$ (37,521)	\$ 11,207	\$ 796,502
Reserve for Future Capital Projects	\$ 956,674	-	-	\$ 956,674
Reserve for Bequests	\$ 59,701	-	-	\$ 59,701
	<u>\$ 1,839,191</u>	<u>\$ (37,521)</u>	<u>\$ 11,207</u>	<u>\$ 1,812,877</u>

**Reserve for Future Capital Projects**

The Board has designated funds for the future expansion of the Foundation's lodges, and any other property and equipment requirements. Funds are allocated on a year to year basis as determined annually by the Board.

**Reserve for Bequests**

The Board has designated bequests and donations, received from individuals, be reserved for special projects that benefit the lodge residents.

**Reserve for Capital Maintenance and Development**

The Board has designated funds for the future renovation, development, and redevelopment of the Foundation's lodges. Funds will be allocated on a year to year basis as determined annually by the Board.

13. INSURANCE

The Parkvale lodge, Pines lodge, Canyon View Place, Barrett Place, Fleming Manor, Waskasoo Towers, Centennial Courts and Twilight Cottages buildings are insured by Alberta Social Housing Corporation.

**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

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14. LEASE COMMITMENTS

The Foundation has a long term lease for its office space and some office equipment. The office space lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. The Foundation has subleased part of the office space. The sublease agreement is for an annual rent of \$91,270 and the agreement expires in June 2019. The gross future minimum lease payments as at December 31, 2015 are as follows:

2016	\$ 184,427
2017	184,427
2018	184,427
2019	94,192
2020	<u>3,957</u>
	<u>\$ 651,430</u>

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15. EMPLOYEE PENSION PLANS

Defined contribution pension plan for union employees:

The Foundation and its employees contribute to the Nursing Homes and Related Industries Pension Plan (NHRIPP). The board of trustees for this plan represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. In 2013 the NHRIPP began using the term target benefit plan rather than defined benefit plan as the benefits are not truly defined and the employers contributing to the plan have no further obligations than the contributions made according to the Collective Agreement. The NHRIPP has about 39,861 active members, 22,857 inactive and retired vested participants from nursing homes and related industries.

The Foundation's contributions to the NHRIPP during the year amounted to \$118,254 (2014 - \$109,146) and are included in wages and benefits expense in the statement of revenues and expenditures.

Defined contribution pension plan for non-union employees:

The Foundation maintains a defined contribution pension plan for its salaried non-union employees and contributes an amount equal to 5% of each participants' eligible salary.

The Foundation has expensed \$45,663 for this plan in the current year (2014 - \$43,189) which is included in wages and benefits expense in the statement of revenues and expenditures.

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16. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2015.

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**PIPER CREEK FOUNDATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2015**

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16. FINANCIAL INSTRUMENTS *(continued)*

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 rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its investments and callable debt which bear fixed interest rates. Should market rates vary significantly, the Foundation could be paying interest at a rate either higher or lower than market rates.

All secured financial liabilities have a combined carrying amount of \$3,694,358 (2014 - \$3,843,803).

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17. ECONOMIC DEPENDENCE

The Foundation is economically dependent on funding it receives from the provincial government each year for its operating and capital maintenance needs.

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18. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**PIPER CREEK FOUNDATION**  
**Consolidated Schedule of Revenues and Expenditures Lodges (Schedule 1)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 3,040,070</b>	<b>\$ 3,055,853</b>
<b>OTHER INCOME</b>		
Amortization of deferred capital contributions	52,397	50,482
Interest income	38,886	56,990
Lodge assistance grant	868,463	909,106
Maintenance grant	8,743	12,425
Personal care services expense recovery	391,485	381,604
Property management income	35,846	-
Sundry income (expense)	(15,514)	21,697
Unrealized gain/(loss) on financial instruments	(20,247)	17,148
	<b>1,360,059</b>	<b>1,449,452</b>
<b>EXPENDITURES</b>		
Advertising and promotion	28,108	20,102
Amortization	70,788	68,872
Bad debt	-	1,001
Electricity	130,251	129,132
Equipment rentals	8,225	6,430
Food supplies	572,953	568,779
Heating	81,851	88,662
Housekeeping and supplies	71,968	73,285
Insurance	17,780	15,425
Office	12,509	16,498
Professional fees	21,848	22,164
Rental	31,295	33,847
Repairs and maintenance	226,343	213,984
Security	155,978	28,432
Telephone	25,873	27,349
Travel	7,338	5,600
Vehicle	10,853	16,319
Wages and benefits	3,224,195	3,097,843
Water and sewer	77,779	82,195
	<b>4,775,935</b>	<b>4,515,919</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE REQUISITIONS</b>	<b>(375,806)</b>	<b>(10,614)</b>
Municipal requisitions (Note 4)	433,289	167,300
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 57,483</b>	<b>\$ 156,686</b>

**PIPER CREEK FOUNDATION**

**Consolidated Schedule of Revenues and Expenditures Self Contained Units (Schedule 2)  
Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 2,093,377</b>	<b>\$ 2,111,026</b>
<b>OTHER INCOME</b>		
Interest income	7,549	8,968
Sundry income	61,388	8,293
Unrealized gain/(loss) on financial instruments	(1,589)	967
Maintenance grants	14,387	20,445
	<b>81,735</b>	<b>38,673</b>
<b>EXPENDITURES</b>		
Advertising and promotion	16,528	12,384
Bad debt	2,739	2,223
Electricity	175,885	169,442
Equipment rentals	10,530	8,296
Heating	115,241	135,375
Housekeeping and supplies	16,909	5,803
Insurance	4,536	3,255
Office	14,945	17,958
Professional fees	33,478	32,646
Property taxes	-	192,879
Rental	64,496	55,757
Repairs and maintenance	388,366	289,480
Telephone	25,437	24,962
Travel	5,068	3,274
Vehicle	3,529	4,878
Wages and benefits	909,572	670,388
Water and sewer	126,492	127,248
	<b>1,913,751</b>	<b>1,756,248</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE REMITTANCE</b>	<b>261,361</b>	<b>393,451</b>
Alberta Municipal Affairs remittance (Note 8)	(261,361)	(393,451)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Parkvale Lodge (Schedule 3)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 1,049,258</b>	<b>\$ 996,942</b>
<b>OTHER INCOME</b>		
Amortization of deferred capital contribution	294	294
Interest income	13,078	19,564
Lodge assistance grant	269,112	278,639
Maintenance grant	2,623	3,727
Property management income	10,754	-
Sundry income (expense)	(4,594)	7,843
Unrealized gains (losses) on financial instruments	(6,512)	1,961
	<b>284,755</b>	<b>312,028</b>
<b>EXPENDITURES</b>		
Advertising and promotion	8,214	5,361
Amortization	3,872	3,872
Bad debt	-	28
Electricity	46,598	47,554
Equipment rentals	1,943	1,892
Food supplies	186,261	183,420
Heating	29,583	32,594
Housekeeping and supplies	20,355	14,511
Insurance	2,771	2,149
Office	3,623	5,498
Professional fees	5,977	6,156
Rental	9,389	10,154
Repairs and maintenance	91,221	78,570
Security	64,833	-
Telephone	8,574	8,608
Travel	2,543	1,191
Vehicle	3,261	5,263
Wages and benefits	890,260	869,934
Water and sewer	22,715	23,194
	<b>1,401,993</b>	<b>1,299,949</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE REQUISITIONS</b>	<b>(67,980)</b>	<b>9,021</b>
Municipal requisitions (Note 4)	129,987	50,190
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 62,007</b>	<b>\$ 59,211</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Pines Lodge (Schedule 4)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 940,477</b>	<b>\$ 905,152</b>
<b>OTHER INCOME</b>		
Amortization of deferred capital contribution	540	540
Interest income	10,004	16,040
Lodge assistance grant	287,117	287,822
Maintenance grant	2,623	3,727
Property management income	10,754	-
Sundry income (expense)	(4,294)	6,373
Unrealized gains (losses) on financial instruments	(5,887)	6,509
	<b>300,857</b>	<b>321,011</b>
<b>EXPENDITURES</b>		
Advertising and promotion	8,741	6,557
Amortization	1,476	1,476
Bad debt	-	28
Electricity	33,261	31,697
Equipment rentals	3,827	2,104
Food supplies	174,554	164,759
Heating	20,477	20,051
Housekeeping and supplies	22,944	28,197
Insurance	1,418	1,116
Office	3,827	4,834
Professional fees	5,977	5,180
Rental	9,389	10,154
Repairs and maintenance	60,450	77,571
Telephone	7,886	7,537
Travel	1,846	1,689
Vehicle	4,582	5,765
Wages and benefits	953,127	905,363
Water and sewer	23,248	23,716
	<b>1,337,030</b>	<b>1,297,794</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES BEFORE REQUISITIONS</b>	<b>(95,696)</b>	<b>(71,631)</b>
Municipal requisitions (Note 4)	129,987	50,190
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 34,291</b>	<b>\$ (21,441)</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Piper Creek Lodge (Schedule 5)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 739,332</b>	<b>\$ 847,844</b>
<b>OTHER INCOME</b>		
Amortization of deferred capital contribution	17,562	15,647
Interest income	10,723	16,040
Lodge assistance grant	237,080	260,410
Maintenance grant	2,623	3,727
Property management income	10,754	-
Sundry income (expense)	(4,978)	5,679
Unrealized gains (losses) on financial instruments	(5,887)	6,509
	<b>267,877</b>	<b>308,012</b>
<b>EXPENDITURES</b>		
Advertising and promotion	8,988	6,587
Amortization	20,125	18,210
Bad debt	-	936
Electricity	39,304	39,315
Equipment rentals	1,962	1,935
Food supplies	152,448	161,290
Heating	24,965	29,333
Housekeeping and supplies	20,665	20,799
Insurance	13,506	12,010
Office	3,852	4,497
Professional fees	8,226	9,133
Rental	9,389	10,154
Repairs and maintenance	68,697	44,408
Security	91,145	28,432
Telephone	7,368	8,707
Travel	2,199	1,252
Vehicle	3,009	5,291
Wages and benefits	885,790	858,231
Water and sewer	23,443	24,024
	<b>1,385,081</b>	<b>1,284,544</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES BEFORE REQUISITIONS</b>	<b>(377,872)</b>	<b>(128,688)</b>
Municipal requisitions (Note 4)	129,987	50,190
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	<b>\$ (247,885)</b>	<b>\$ (78,498)</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Assisted Living (Schedule 6)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 311,003</b>	<b>\$ 305,916</b>
<b>OTHER INCOME</b>		
Amortization of deferred capital contribution	34,000	34,000
Interest income	5,081	5,347
Lodge assistance grant	75,154	82,235
Maintenance grant	874	1,242
Personal care services expense recovery	391,485	381,604
Property management income	3,585	-
Sundry income (expense)	(1,648)	1,801
Unrealized gains (losses) on financial instruments	(1,962)	2,170
	<b>506,569</b>	<b>508,399</b>
<b>EXPENDITURES</b>		
Advertising and promotion	2,165	1,597
Amortization	45,315	45,315
Bad debt	-	9
Electricity	11,087	10,566
Equipment rentals	493	500
Food supplies	59,690	59,310
Heating	6,826	6,684
Housekeeping and supplies	8,004	9,778
Insurance	85	150
Office	1,209	1,668
Professional fees	1,667	1,695
Rental	3,130	3,385
Repairs and maintenance	5,975	13,435
Telephone	2,045	2,496
Travel	750	1,468
Wages and benefits	495,017	464,314
Water and sewer	8,374	11,261
	<b>651,832</b>	<b>633,631</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE REQUISITIONS</b>	<b>165,740</b>	<b>180,684</b>
Municipal requisitions (Note 4)	43,329	16,730
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 209,069</b>	<b>\$ 197,414</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Centennial**      **(Schedule 7)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 260,329</b>	<b>\$ 274,180</b>
<b>OTHER INCOME</b>		
Interest income	156	102
Maintenance grants	2,439	3,465
Sundry income	11,821	1,354
	<b>14,416</b>	<b>4,921</b>
<b>EXPENDITURES</b>		
Advertising and promotion	2,796	2,099
Bad debt	1,086	46
Electricity	22,201	22,612
Equipment rentals	1,671	1,365
Heating	27,487	30,728
Housekeeping and supplies	3,751	723
Insurance	715	504
Office	2,553	2,988
Professional fees	5,699	5,510
Property taxes	-	19,358
Rental	10,932	9,451
Repairs and maintenance	67,850	39,822
Telephone	5,047	4,924
Travel	846	525
Vehicle	579	884
Wages and benefits	152,905	113,931
Water and sewer	23,251	23,960
	<b>329,369</b>	<b>279,430</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES BEFORE RECOVERY</b>	<b>(54,624)</b>	<b>(329)</b>
Alberta Municipal Affairs recovery <i>(Note 8)</i>	54,624	329
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>



**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Canyon View (Schedule 8)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 274,719</b>	<b>\$ 266,378</b>
<b>OTHER INCOME</b>		
Maintenance grants	1,666	2,368
Interest income	250	671
Sundry income	4,766	1,152
	<b>6,682</b>	<b>4,191</b>
<b>EXPENDITURES</b>		
Advertising and promotion	1,931	1,442
Bad debt (recovery)	-	9
Electricity	23,249	20,353
Equipment rentals	1,063	879
Heating	15,840	20,691
Housekeeping and supplies	3,027	307
Insurance	530	361
Office	1,507	2,054
Professional fees	3,916	3,741
Property taxes	-	17,502
Rental	7,469	6,457
Repairs and maintenance	19,824	29,131
Telephone	4,040	4,019
Travel	580	386
Vehicle	410	669
Wages and benefits	105,346	78,730
Water and sewer	15,199	15,383
	<b>203,931</b>	<b>202,114</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE REMITTANCE</b>	<b>77,470</b>	<b>68,455</b>
Alberta Municipal Affairs remittance (Note 8)	<b>(77,470)</b>	<b>(68,455)</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Fleming** **(Schedule 9)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 161,410</b>	<b>\$ 159,821</b>
<b>OTHER INCOME</b>		
Interest income	148	261
Maintenance grants	1,016	1,443
Sundry income	4,379	525
	<u>5,543</u>	<u>2,229</u>
<b>EXPENDITURES</b>		
Advertising and promotion	1,175	889
Bad debt	-	11
Electricity	10,185	10,699
Equipment rentals	1,280	803
Heating	9,937	9,483
Housekeeping and supplies	1,115	(15)
Insurance	341	247
Office	1,906	1,297
Professional fees	2,390	2,279
Property taxes	-	14,108
Rental	4,553	3,936
Repairs and maintenance	26,236	30,464
Telephone	2,118	2,082
Travel	427	371
Vehicle	374	672
Wages and benefits	66,345	48,207
Water and sewer	10,037	11,951
	<u>138,419</u>	<u>137,484</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE REMITTANCE</b>	<b>28,534</b>	<b>24,566</b>
Alberta Municipal Affairs remittance (Note 8)	<u>(28,534)</u>	<u>(24,566)</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Waskasoo Towers (Schedule 10)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 669,039</b>	<b>\$ 675,433</b>
<b>OTHER INCOME</b>		
Interest income	6,230	6,710
Sundry income	24,595	2,834
Unrealized losses on financial instruments	(1,589)	967
Maintenance grants	4,552	6,469
	<b>33,788</b>	<b>16,980</b>
<b>EXPENDITURES</b>		
Advertising and promotion	5,216	3,886
Bad debt	1,500	1,892
Electricity	60,419	60,611
Equipment rentals	3,339	2,366
Heating	31,233	37,771
Housekeeping and supplies	4,172	2,839
Insurance	1,317	923
Office	4,052	5,785
Professional fees	10,584	10,338
Property taxes	-	86,621
Rental	20,407	17,642
Repairs and maintenance	164,064	107,150
Telephone	7,168	6,954
Travel	1,579	950
Vehicle	1,013	870
Wages and benefits	287,136	211,110
Water and sewer	42,775	40,628
	<b>645,974</b>	<b>598,336</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE REMITTANCE</b>	<b>56,853</b>	<b>94,077</b>
Alberta Municipal Affairs remittance (Note 8)	(56,853)	(94,077)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Barrett**      *(Schedule 11)*  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 682,210</b>	<b>\$ 691,712</b>
<b>OTHER INCOME</b>		
Interest income	764	1,224
Maintenance grants	4,390	6,238
Sundry income	14,062	2,205
	<b>19,216</b>	<b>9,667</b>
<b>EXPENDITURES</b>		
Advertising and promotion	5,032	3,757
Bad debt	153	262
Electricity	51,112	46,756
Equipment rentals	2,970	2,704
Heating	27,719	33,283
Housekeeping and supplies	4,597	1,891
Insurance	1,328	948
Office	4,627	5,396
Professional fees	10,177	9,997
Property taxes	-	48,616
Rental	19,678	17,011
Repairs and maintenance	104,788	76,103
Telephone	6,699	6,622
Travel	1,523	912
Vehicle	1,040	1,399
Wages and benefits	277,401	203,405
Water and sewer	30,545	30,794
	<b>549,389</b>	<b>489,856</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE REMITTANCE</b>	<b>152,037</b>	<b>211,523</b>
Alberta Municipal Affairs remittance <i>(Note 8)</i>	<b>(152,037)</b>	<b>(211,523)</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Twilight**      **(Schedule 12)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 45,670</b>	<b>\$ 43,502</b>
<b>OTHER INCOME</b>		
Maintenance grants	327	462
Sundry income	1,765	222
	<b>2,092</b>	<b>684</b>
<b>EXPENDITURES</b>		
Advertising and promotion	379	312
Bad debt	-	3
Electricity	8,720	8,410
Equipment rentals	208	179
Heating	3,025	3,419
Housekeeping and supplies	248	59
Insurance	306	273
Office	296	432
Professional fees	713	781
Property taxes	-	6,674
Rental	1,458	1,260
Repairs and maintenance	5,604	6,811
Telephone	365	362
Travel	113	130
Vehicle	113	384
Wages and benefits	20,439	15,005
Water and sewer	4,684	4,533
	<b>46,671</b>	<b>49,027</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE (REMITTANCE) RECOVERY</b>	<b>1,091</b>	<b>(4,841)</b>
Alberta Municipal Affairs (remittance) recovery (Note 8)	<b>(1,091)</b>	<b>4,841</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Graduated Rental Assistance Initiative**  
**(Schedule 13)**  
**Year Ended December 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>ADMINISTRATION FEE REVENUE</b>	<b>\$ -</b>	<b>\$ 3,880</b>
<b>EXPENDITURES</b>		
Administration expense	-	151
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 3,729</b>

**PIPER CREEK FOUNDATION**  
**Schedule of Revenues and Expenditures Conwood Seniors Housing Ltd. (Schedule 14)**  
**Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>	<b>\$ 811,472</b>	<b>\$ 792,737</b>
<b>OTHER INCOME</b>		
Sundry income	149	4,632
Amortization of deferred capital contribution	207,587	207,587
	<b>207,736</b>	<b>212,219</b>
<b>EXPENDITURES</b>		
Advertising and promotion	1,200	1,200
Amortization	386,146	386,994
Electricity	56,167	55,653
Equipment rentals	144	101
GST expense	12,402	15,650
Heating	38,841	44,557
Housekeeping and supplies	336	562
Insurance	25,946	26,353
Interest on callable debt	106,343	109,055
Interest on long term debt	49,173	65,804
Office	6,319	13,663
Professional fees	6,517	9,331
Property taxes	108,863	108,446
Repairs and maintenance	107,647	97,343
Security	3,958	2,227
Utilities and telephone	6,307	6,739
Wages and benefits	54,323	172,203
Water and sewer	35,013	35,452
	<b>1,005,645</b>	<b>1,151,333</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	<b>\$ 13,563</b>	<b>\$ (146,377)</b>