

GREATER NORTH FOUNDATION
Financial Statements
Year Ended December 31, 2024

GREATER NORTH FOUNDATION
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Year Ended December 31, 2024

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AUDITOR'S REPORT

To the Board of Directors
Greater North Foundation

Opinion

We have audited the accompanying financial statements of Greater North Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2024 and the statements of operations, changes in net assets 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 Greater North Foundation as at December 31, 2024, 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 Foundation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or cease operations, or has no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatements in 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 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 Foundation'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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Foundation 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.

Edmonton, Alberta
March 24, 2025


CHARTERED PROFESSIONAL ACCOUNTANTS

GREATER NORTH FOUNDATION
Statement of Financial Position
December 31, 2024

	2024				2023 Total
	Foundation Administration Board	Special Housing Projects	Lodges	Total	
ASSETS					
CURRENT ASSETS					
Cash and term deposits	\$ -	\$ 915,129	\$ 202,000	\$ 1,117,129	\$ 574,556
Trust account for security deposits (Note 3)	-	66,030	-	66,030	60,193
Accounts receivable (Note 4)	2,804	24,357	310,336	337,497	163,913
Inventory	-	-	52,008	52,008	55,697
Prepaid expenses	78,911	-	13,806	92,717	85,113
Interfund accounts	167,076	-	361,430	528,506	169,606
	248,791	1,005,516	939,580	2,193,887	1,109,078
PROPERTY AND EQUIPMENT (Note 5)	5,687	1,545,811	12,080,410	13,631,908	14,721,631
	\$ 254,478	\$ 2,551,327	\$ 13,019,990	\$ 15,825,795	\$ 15,830,709
LIABILITIES					
CURRENT LIABILITIES					
Bank indebtedness	\$ 133,099	\$ -	\$ 194,310	\$ 327,409	\$ 161,362
Accounts payable and accrued liabilities (Note 7)	62,989	183,898	640,803	887,690	857,494
Security deposits	-	66,030	-	66,030	60,193
Deferred revenue	-	69,756	5,187	74,943	81,916
Deferred donations	-	-	5,934	5,934	4,174
Restricted reserve (Note 8)	-	76,950	-	76,950	76,950
Due to Alberta Seniors	-	80,376	-	80,376	4,817
Interfund accounts	-	528,506	-	528,506	169,606
	196,088	1,005,516	846,234	2,047,838	1,416,512
CONTRIBUTED PROPERTIES (Note 9)	-	1,545,810	-	1,545,810	1,545,810
RESTRICTED CAPITAL RESERVE (Note 10)	38,785	-	891,597	930,382	476,211
RESTRICTED CAPITAL RESERVE RELATED TO EQUIPMENT (Note 11)	-	-	44,443	44,443	62,220
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 12)	-	-	5,755,431	5,755,431	6,303,567
	234,873	2,551,326	7,537,705	10,323,904	9,804,320
NET ASSETS					
Invested in property and equipment	5,687	1	6,280,536	6,286,224	6,810,034
Unrestricted	13,918	-	(798,251)	(784,333)	(783,645)
	19,605	1	5,482,285	5,501,891	6,026,389
	\$ 254,478	\$ 2,551,327	\$ 13,019,990	\$ 15,825,795	\$ 15,830,709

APPROVED BY THE BOARD

Director
Director

GREATER NORTH FOUNDATION
Statement of Operations
Year Ended December 31, 2024

	Special Housing Projects			Lodges		Total
	2024	2023	2024	2023	2024	
REVENUE						
Lodge Assistance Program grants	-	\$ -	\$ 817,827	\$ 642,248	\$ 817,827	\$ 642,248
Other grants (Note 13)	4,819	19,819	41,877	67,471	46,696	87,290
Requisitions from Municipalities (Note 14)	-	-	1,347,863	1,322,347	1,347,863	1,322,347
Rental revenue	1,112,271	983,408	3,896,044	3,766,035	5,008,315	4,749,443
Other	27,177	17,670	-	-	27,177	17,670
Resident services	48,843	43,902	58,575	56,594	107,418	100,496
Non-resident services	8,790	4,938	100,788	74,846	109,578	79,784
	<u>1,201,900</u>	<u>1,069,737</u>	<u>6,262,974</u>	<u>5,929,541</u>	<u>7,464,874</u>	<u>6,999,278</u>
OPERATING EXPENSES						
Human resources	464,068	471,193	3,973,455	3,851,533	4,437,523	4,322,726
Food	-	-	737,313	710,920	737,313	710,920
Operating	48,406	47,295	245,958	226,852	294,364	274,147
Operating maintenance	470,160	347,074	359,256	452,070	829,416	799,144
Utilities	373,032	360,503	551,104	562,664	924,136	923,167
Taxes and land leases	232	232	95	95	327	327
Rent supplement	27,177	17,670	-	-	27,177	17,670
Administration (Note 15)	34,882	24,101	192,605	125,065	227,487	149,166
	<u>1,417,957</u>	<u>1,268,068</u>	<u>6,059,786</u>	<u>5,929,199</u>	<u>7,477,743</u>	<u>7,197,267</u>
	<u>(216,057)</u>	<u>(198,331)</u>	<u>203,188</u>	<u>342</u>	<u>(12,869)</u>	<u>(197,989)</u>
REVENUE (UNDER) OPERATING EXPENSES						
OTHER REVENUE AND EXPENSES						
Capital reserves (Note 10)	-	-	(175,579)	-	(175,579)	-
Operating grant	216,057	198,331	-	-	216,057	198,331
Amortization of restricted capital reserve related to equipment	-	-	17,777	17,778	17,777	17,778
Amortization of deferred contributions related to property and equipment	-	-	548,136	551,931	548,136	551,931
Amortization of property and equipment	-	-	(27,259)	(25,858)	(27,259)	(25,858)
Amortization of government funded property and equipment	-	-	(1,090,761)	(1,099,295)	(1,090,761)	(1,099,295)
	<u>216,057</u>	<u>198,331</u>	<u>(727,686)</u>	<u>(555,444)</u>	<u>(511,629)</u>	<u>(357,113)</u>
	<u>-</u>	<u>-</u>	<u>(524,498)</u>	<u>(555,102)</u>	<u>(524,498)</u>	<u>(555,102)</u>

GREATER NORTH FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2024

INVESTED IN PROPERTY AND EQUIPMENT

Foundation Administration Board	Special Housing Projects	Pleasant Valley Lodge			Wildrose Villa	Lacalta Lodge	Total 2024	Total 2023
		1	2,880,347 \$	10,512 \$				
		-	25,108	943	4,888	30,939	46,835	
	(2,642)	-	-	-	-	(2,642)	(2,512)	
	-	-	(238,521)	(5,153)	(308,433)	(552,107)	(555,444)	
BALANCE AT BEGINNING OF YEAR		1	2,666,934 \$	6,302 \$	3,607,300 \$	6,286,224 \$	6,810,034	

BALANCE AT BEGINNING OF YEAR
Property and equipment purchases
Transfers
Revenue under expenses

BALANCE AT END OF YEAR

UNRESTRICTED

Foundation Administration Board	Special Housing Projects	Pleasant Valley Lodge			Wildrose Villa	Lacalta Lodge	Total 2024	Total 2023
		-	(396,397) \$	(348,422) \$				
		-	(25,108)	(943)	(4,888)	(30,939)	(46,835)	
	2,642	-	-	-	-	2,642	2,512	
	-	-	(11,356)	25,766	13,199	27,609	342	
BALANCE AT BEGINNING OF YEAR		-	(432,861) \$	(323,599) \$	(41,791) \$	(784,333) \$	(783,645)	

BALANCE AT BEGINNING OF YEAR
Property and equipment purchases
Transfers
Revenue over expenses

BALANCE AT END OF YEAR

GREATER NORTH FOUNDATION
Statement of Cash Flows
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Revenue under expenses	\$ (524,498)	\$ (555,102)
Items not affecting cash:		
Amortization of restricted reserve related to equipment	(17,777)	(17,778)
Amortization of deferred contributions related to property and equipment	(548,136)	(551,931)
Amortization	1,120,662	1,127,665
	<u>30,251</u>	<u>2,854</u>
Changes in non-cash working capital items:		
Accounts receivable	(173,584)	13,569
Inventory	3,689	(8,136)
Prepaid expenses	(7,604)	(20,052)
Accounts payable and accrued liabilities	30,196	30,133
Security deposits	5,837	8,103
Deferred revenue	(6,973)	22,043
Deferred donations	1,760	1,280
Restricted reserve	-	42,750
Restricted capital reserve	454,171	100,645
Due to Alberta Seniors	75,559	1,068
	<u>383,051</u>	<u>191,403</u>
	<u>413,302</u>	<u>194,257</u>
INVESTING ACTIVITY		
Purchase of property and equipment	(30,939)	(46,835)
INCREASE IN CASH		
	382,363	147,422
Cash - beginning of year	473,387	325,965
CASH - END OF YEAR	<u><u>\$ 855,750</u></u>	<u><u>\$ 473,387</u></u>
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest received	\$ 10,541	\$ 3,173
Interest paid	\$ 6,370	\$ 6,924
CASH IS COMPRISED OF		
Cash	\$ 517,129	\$ 574,556
Security deposit trust account	66,030	60,193
Term deposits	600,000	-
Bank indebtedness	(327,409)	(161,362)
	<u><u>\$ 855,750</u></u>	<u><u>\$ 473,387</u></u>

GREATER NORTH FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2024

1. NATURE OF OPERATIONS

Greater North Foundation (the Foundation) is a not-for-profit organization operating and managing social programs aimed at providing affordable housing to seniors and low-income Albertans who are the most in need. The Foundation operates lodges and social housing projects in Athabasca, Lac La Biche, Boyle, Plamondon and their surrounding areas. The Foundation is also authorized to administer rent supplement programs on behalf of the government. These financial statements include the social housing and lodge operations. The Foundation is established as a management body by the provincial ministerial order and is governed by the Alberta Housing Act and its regulations. It qualifies as a not-for-profit organization as defined in the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting dates.

Term deposits

Term deposits consist of redeemable term deposits with maturity dates within twelve months.

Goods and Services Tax receivable

Goods and Services Tax receivable is recorded as receivable based on the rebate refundable at the time of the expenditure.

Inventory

Inventory is measured at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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GREATER NORTH FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and equipment

Property and equipment is recorded at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives on the straight-line method at the following rates:

Buildings	25 years
Paving	10 years
Furniture and fixtures	5 years
Computer equipment	3 years

Buildings and land owned by the provincial government are not shown in the accounting records of the Foundation.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period. Grants received for the acquisition of property and equipment are deferred and amortized to revenue on the same basis as the related property and equipment.

Requisitions from Municipalities are made to cover the prior year's operating deficit.

Lodge Assistance Program grants are provided by the Government of Alberta based on the number of eligible residents on an annual basis.

Housing project operating grants are based on the approved current year budget and any operating surplus is required to be repaid to Alberta Seniors.

Rental revenue is accrued at the most recent authorized rental rates.

Resident and non-resident services are recognized as the services are provided and collection is reasonably assured.

Bad debts

Bad debts are written off by Board motion if they have been outstanding for greater than one year and are determined to be uncollectible.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date.

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GREATER NORTH FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 amounts reported in the financial statements. Significant estimates include collectibility of receivables, useful life of property and equipment, accrued liabilities and deferred contributions related to property and equipment. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

3. RESTRICTED CASH

The Foundation holds \$66,030 (2023--\$60,193) in a trust account as security deposits for current tenants.

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 52,398	\$ 42,542
Capital reserves	262,900	95,700
Goods and Services Tax rebate	32,049	29,154
	<u>347,347</u>	<u>167,396</u>
Allowance for doubtful accounts	(9,850)	(3,483)
	<u>\$ 337,497</u>	<u>\$ 163,913</u>

During the year, the Foundation recorded bad debts of \$11,447 (2023--\$5,501). This amount is included in operating expenses.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	<u>2024</u> Net book value	<u>2023</u> Net book value
Land	\$ 845,000	\$ -	\$ 845,000	\$ 845,000
Buildings	28,227,019	15,567,036	12,659,983	13,734,032
Paving	186,878	186,878	-	-
Furniture and fixtures	1,601,754	1,477,478	124,276	140,679
Computer equipment	46,292	43,643	2,649	1,920
	<u>\$ 30,906,943</u>	<u>\$ 17,275,035</u>	<u>\$ 13,631,908</u>	<u>\$ 14,721,631</u>

GREATER NORTH FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2024

6. OPERATING LOAN

The Foundation has an authorized line of credit of \$1,000,000. The interest on the line of credit is at prime and is secured by a Province of Alberta order in Council. The line of credit balance at year end was \$325,535 (2023--\$0). Interest paid during the year \$6,370 (2023--\$6,924).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2024	2023
Accounts payable	\$ 417,569	\$ 418,931
Vacation payable	285,513	273,370
Salaries payable	162,536	146,388
Payroll deductions payable	13,449	12,046
Rents received in advance	8,623	6,759
	\$ 887,690	\$ 857,494

8. RESTRICTED RESERVE

The restricted reserve requires approval from Alberta Seniors for any expenditures.

9. CONTRIBUTED PROPERTIES

Greater North Foundation received 3 properties from the Government of Alberta for \$1. The properties include 2 single family dwellings with a present value of \$216,170 and \$161,160 respectively at title transfer and a 10 unit condominium with a present value of \$1,168,480 at title transfer. The properties are currently being used as rental units in the same manner as they were prior to the transfer of title. The Foundation does have the option to sell these properties and invest the proceeds into future housing projects. The properties have been included in property and equipment at their fair value.

10. RESTRICTED CAPITAL RESERVE

The Foundation has funds to be set aside for capital repairs for the lodges. All expenditures must be approved by the Board. Capital reserves for administration \$38,785 (2023--\$23,097) and for Lodges \$891,597 (2023--\$453,114).

During the year, funds requisitioned were \$262,900 (2023--\$95,700). The Foundation has also transferred the increase received in 2024 from the Lodge Assistance program grant funding of \$175,579 to a reserve for capital expansion or future growth. The Lodge Assistance program is a grant paid to management bodies and is allocated based on the number of low-income residents living in the lodges. The Lodge Assistance program grant may be used for any purpose as per the Management Body Operational guidelines and Board approval.

GREATER NORTH FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2024

11. RESTRICTED CAPITAL RESERVE RELATED TO EQUIPMENT

In 2022, The Foundation used \$88,886 to purchase a nurse call system from the Lacalta Lodge restricted capital reserve. The system was capitalized and is being amortized on the straight-line method over five years. The restricted reserve funds used to purchase the nurse call system have been recorded as restricted capital reserve related to equipment and are being amortized on the same basis as the related equipment.

	<u>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 62,220	\$ 79,998
Amounts amortized	<u>(17,777)</u>	<u>(17,778)</u>
Balance at end of year	<u>\$ 44,443</u>	<u>\$ 62,220</u>

12. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred contributions related to property and equipment represents contributions received to fund the cost of property and equipment additions. The contributions are deferred and amortized to revenue on the same basis as the related property and equipment.

	<u>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 6,303,567	\$ 6,855,498
Amounts amortized	<u>(548,136)</u>	<u>(551,931)</u>
Balance at end of year	<u>\$ 5,755,431</u>	<u>\$ 6,303,567</u>

13. OTHER GRANTS

Other grants consists of the following:

	<u>2024</u>	<u>2023</u>
Alberta Health Services Grant	\$ 41,877	\$ 40,671
Government of Alberta - surplus carryforward	4,819	3,751
Capital Maintenance and Renewal Program grant	-	16,068
COVID Relief Rebates	<u>-</u>	<u>26,800</u>
	<u>\$ 46,696</u>	<u>\$ 87,290</u>

GREATER NORTH FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2024

14. REQUISITIONS FROM MUNICIPALITIES

Municipal requisitions for the year are as follows:

	<u>2024</u>	<u>2023</u>
Lac La Biche County	\$ 660,530	\$ 635,745
Municipal District of Bonnyville	295,155	310,040
Athabasca County	303,062	287,750
Municipal District of Opportunity No. 17	68,223	65,304
Town of Athabasca	48,671	47,155
Summer Village of Island Lake	15,795	14,624
Village of Boyle	11,890	11,632
Summer Village of Bondiss	9,036	8,195
Summer Village of Mewatha Beach	7,828	7,465
Summer Village of Whispering Hills	6,761	6,124
Summer Village of West Baptiste	5,258	4,851
Summer Village of Sunset Beach	4,714	4,484
Summer Village of Island Lake South	3,843	3,353
Summer Village of South Baptiste	2,797	2,625
Less capital reserves	<u>(95,700)</u>	<u>(87,000)</u>
	<u>\$ 1,347,863</u>	<u>\$ 1,322,347</u>

15. ADMINISTRATION EXPENSES

	<u>2024</u>	<u>2023</u>
Professional fees	\$ 70,683	\$ 20,074
Vehicle and travel	55,191	42,862
Office and sundry	29,015	29,952
Rent	28,800	28,800
Office equipment and repairs	18,794	15,446
Sundry	10,181	-
Board expenses	6,031	3,684
Association fees	5,721	5,157
IT services	3,071	3,191
	<u>\$ 227,487</u>	<u>\$ 149,166</u>

GREATER NORTH FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2024

16. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash and term deposits, security deposits, accounts receivable, bank indebtedness and accounts payable and accrued liabilities.

The Foundation is exposed to the following risks through its financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation or there is a concentration of transactions carried out with the same party. The Foundation's main credit risk relates to accounts receivable. Accounts receivable are generally rent receivable from tenants and amounts due from government agencies. The Foundation's tenants are numerous which reduces the concentration of credit risk. It is management's opinion that there is no significant credit risk as of December 31, 2024.

Liquidity risk

Liquidity risk arises from the possibility that the Foundation might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk as of December 31, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk arising on its interest bearing assets. The Foundation is also exposed to interest rate risk on its operating line of credit.
