

**SYLVAN LAKE FOUNDATION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**SYLVAN LAKE FOUNDATION**  
**TABLE OF CONTENTS**  
**DECEMBER 31, 2020**

	<u>Page</u>
<b>Independent Auditors' Report</b>	2 - 3
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 14
Schedule 1 - Sylvan Lake Lodge - Statement of Operations	15
Schedule 2 - Sylvan Lake Manor - Statement of Operations	16
Schedule 3 - Bethany - Statement of Operations	17

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:  
Sylvan Lake Foundation

### **Opinion**

We have audited the accompanying financial statements of Sylvan Lake Foundation, which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sylvan Lake Foundation as at December 31, 2020, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Sylvan Lake 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 Sylvan Lake Foundation'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 Sylvan Lake Foundation or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' 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 auditors' 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 Sylvan Lake 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 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 Sylvan Lake 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 auditors' report. However, future events or conditions may cause the Sylvan Lake 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.

*Pivotal LLP*

Red Deer County, Alberta  
April 13, 2021

Chartered Professional Accountants

**SYLVAN LAKE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents .....	\$ 502,909	\$ 642,831
Accounts receivable .....	122,542	49,663
Government remittances receivable .....	9,657	16,787
Inventories (Note 3) .....	26,128	21,000
Prepaid expenses and deposits .....	<u>6,406</u>	<u>5,373</u>
	<b>667,642</b>	<b>735,654</b>
<b>CAPITAL ASSETS</b> (Note 4) .....	<b>1,222,771</b>	<b>1,401,927</b>
<b>INTERNALLY RESTRICTED RESERVE</b> (Note 5) .....	<u><b>361,590</b></u>	<u><b>382,590</b></u>
	<b>\$ 2,252,003</b>	<b>\$ 2,520,171</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities .....	\$ 187,818	\$ 166,106
Surplus payable to Alberta Social Housing Corporation .....	-	16,138
Deferred contributions (Note 6) .....	288,626	324,015
Deposits received .....	<u>3,378</u>	<u>2,762</u>
	<b>479,822</b>	<b>509,021</b>
<b>RESTRICTED OPERATING RESERVE FUND</b> (Note 7) ..	<b>5,000</b>	<b>5,000</b>
<b>DEFERRED CAPITAL CONTRIBUTIONS</b> (Note 10) .....	<u><b>1,035,533</b></u>	<u><b>1,192,523</b></u>
<b>TOTAL LIABILITIES</b> .....	<b>1,520,355</b>	<b>1,706,544</b>
<b>NET ASSETS</b>		
<b>NET INVESTMENT IN CAPITAL ASSETS</b> .....	<b>187,238</b>	<b>209,401</b>
<b>UNRESTRICTED NET ASSETS</b> .....	<b>182,770</b>	<b>221,586</b>
<b>INTERNALLY RESTRICTED RESERVE</b> .....	<b>361,590</b>	<b>382,590</b>
<b>DONATED CAPITAL</b> .....	<u><b>50</b></u>	<u><b>50</b></u>
	<b>\$ 2,252,003</b>	<b>\$ 2,520,171</b>

**COMMITMENTS AND CONTRACTUAL OBLIGATIONS** (Note 11)

**GUARANTEES** (Note 12)

On Behalf of the Board:

\_\_\_\_\_ Director

*See accompanying notes to financial statements*

**SYLVAN LAKE FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2020**

	Net Investment in Capital Assets	Unrestricted Net Assets	Internally Restricted Reserve	Donated Capital	<b>Total 2020</b>	Total 2019
Balance, beginning of year	\$ 209,401	\$ 221,586	\$ 382,590	\$ 50	\$ <b>813,627</b>	\$ 782,907
Excess (deficiency) of revenues over expenses	-	(81,979)	-	-	<b>(81,979)</b>	46,858
Amortization of capital assets	(200,948)	200,948	-	-	-	-
Amortization of deferred capital contributions	156,990	(156,990)	-	-	-	-
Transfer from internally restricted reserve	-	21,000	(21,000)	-	-	-
Transfer to Alberta Social Housing Corporation	-	-	-	-	-	(16,138)
Purchase of capital assets	21,795	(21,795)	-	-	-	-
Balance, end of year	<u>\$ 187,238</u>	<u>\$ 182,770</u>	<u>\$ 361,590</u>	<u>\$ 50</u>	<u>\$ <b>731,648</b></u>	<u>\$ 813,627</u>

*See accompanying notes to financial statements*

**SYLVAN LAKE FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>REVENUE</b>		
Rent .....	\$ 983,515	\$ 1,035,686
Other revenue .....	5,680	5,688
Temporary Wage Subsidy (Note 15) .....	25,000	-
Contracted services and expense recoveries .....	785,186	609,738
Interest income .....	4,721	16,287
Municipal requisition - Town of Sylvan Lake .....	309,000	300,000
Government of Alberta - LAP and Capital Maintenance .....	219,321	394,175
Government of Alberta - COVID Incremental Funding .....	111,820	-
Sylvan Lake Sustainable Housing Initiative .....	-	25,000
	<u>2,444,243</u>	<u>2,386,574</u>
<b>EXPENSES</b>		
Activity supplies .....	1,693	2,005
Advertising and promotion .....	234	320
Board expenses .....	1,773	3,188
Business taxes, licenses and memberships .....	3,648	3,743
Cleaning and janitorial supplies .....	14,791	20,735
Electricity .....	51,293	57,530
Heat .....	36,434	38,868
Insurance .....	6,776	7,617
Laundry service and linen .....	4,175	6,954
Management and administrative fees .....	120,781	111,803
Office .....	22,133	18,679
Professional fees .....	14,500	38,500
Repairs and maintenance .....	147,266	247,228
Supplies .....	393,867	374,360
Telephone .....	11,956	11,532
Training .....	1,125	1,629
Travel .....	116	251
Vehicle operating .....	2,945	5,891
Wages and benefits .....	1,597,967	1,286,947
Water and waste removal .....	48,791	59,115
	<u>2,482,264</u>	<u>2,296,895</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING</b> .....	<b>(38,021)</b>	<b>89,679</b>
<b>AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS</b> (Note 10) .....	<b>156,990</b>	<b>156,990</b>
<b>AMORTIZATION OF CAPITAL ASSETS</b> .....	<b>(200,948)</b>	<b>(199,811)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b> ...	<b>\$ (81,979)</b>	<b>\$ 46,858</b>

*See accompanying notes to financial statements*

**SYLVAN LAKE FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATIONS</b>		
Excess (deficiency) of revenues over expenses .....	\$ (81,979)	\$ 46,858
Add (deduct) non-cash items:		
Amortization of capital assets .....	200,948	199,811
Amortization of deferred capital contributions .....	<u>(156,990)</u>	<u>(156,990)</u>
	(38,021)	89,679
Net changes in non-cash working capital:		
Accounts receivable .....	(72,878)	43,059
Government remittances receivable .....	7,130	(10,795)
Inventories .....	(5,128)	(2,829)
Prepaid expenses and deposits .....	(1,033)	1,088
Accounts payable and accrued liabilities .....	5,576	(232,044)
Deposits received .....	616	178
Deferred contributions .....	(35,389)	92,015
Payable to Alberta Social Housing Corporation .....	<u>-</u>	<u>(16,138)</u>
Cash used for operating activities .....	<u>(139,127)</u>	<u>(35,787)</u>
<b>FINANCING</b>		
Transfer from internally restricted reserve .....	<u>21,000</u>	<u>-</u>
Cash from financing activities .....	<u>21,000</u>	<u>-</u>
<b>INVESTMENTS</b>		
Purchase of capital assets .....	<u>(21,795)</u>	<u>-</u>
Cash used for investment activities .....	<u>(21,795)</u>	<u>-</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS .....</b>	<b>(139,922)</b>	<b>(35,787)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR .....</b>	<b><u>642,831</u></b>	<b><u>678,618</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR .....</b>	<b>\$ <u>502,909</u></b>	<b>\$ <u>642,831</u></b>

*See accompanying notes to financial statements*



**SYLVAN LAKE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. STATUS AND PURPOSE OF THE ORGANIZATION**

Sylvan Lake Foundation (the "Foundation") was established May 22, 1991, by a master agreement between the Foundation, the Town of Sylvan Lake and the Government of Alberta. The Foundation was incorporated on March 1, 1995, as a management body under the Alberta Housing Act and operates pursuant to the guidelines established by Alberta Seniors: Alberta Social Housing Corporation for the purpose of managing a senior citizen's lodge and seniors residential housing project, including Sylvan Lake Manor, within the Town of Sylvan Lake.

The Foundation is a registered charity and is exempt from income tax in accordance with Section 149 of the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in Canadian dollars in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

***Cash and Cash Equivalents***

Cash and cash equivalents consist of petty cash and cash in bank accounts.

***Inventories***

Inventories are valued at the lower of cost and net realizable value, cost being determined by using the weighted average method. Any previous inventory write-downs will be reversed if economic circumstances have changed to support an increased inventory value.

***Capital Assets***

Capital assets are accounted for at cost. Amortization is based on the estimated useful life of each asset, using the following rates and methods:

Buildings	- 25 years straight-line method
Computer equipment	- 3 years straight-line method
Furniture and fixtures	- 5 years straight-line method
Signs	- 5 years straight-line method
Vehicles	- 10 years straight-line method

On February 18, 1999, a new lodge was transferred to the Foundation from Alberta Social Housing Corporation. The lodge was recorded in the financial statements of the Foundation at fair value at the time of transfer. The old lodge remains the property of Alberta Social Housing Corporation, and, as such, is not recorded in the financial statements of the Foundation.

**SYLVAN LAKE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***Contributed Services***

The Foundation would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of valuing these hours, contributed services are not recognized in the financial statements.

***Estimates***

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current year. Significant items subject to such estimates and assumptions include: the allowance for uncollectible accounts receivable; the valuation of inventories and prepaids; the estimated useful lives of capital assets; the valuation of accrued liabilities, amortization of deferred capital contributions, and contingencies. Actual results could differ from those estimates.

***Financial Instruments***

***Measurement of financial instruments***

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, and internally restricted reserve.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities, and payable to Alberta Social Housing Corporation.

***Internally Restricted Reserve***

The internally restricted reserve represents funds allocated for future capital maintenance expenditures and special projects. The reserves are established and expended in accordance with terms and conditions established by the Board.

**SYLVAN LAKE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***Revenue Recognition***

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Operating grants are recognized as revenue in the period to which they relate. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

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

Capital contributions related to capital assets are recorded as deferred capital contributions. The deferred capital contributions are amortized to operations on the same basis as the related amortization is taken on funded capital assets.

**3. INVENTORIES**

	2020	2019
Food supplies	\$ 12,836	\$ 13,510
Housekeeping supplies	8,804	3,042
Maintenance supplies	<u>4,488</u>	<u>4,448</u>
	<u>\$ 26,128</u>	<u>\$ 21,000</u>

**4. CAPITAL ASSETS**

	2020			2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 87,161	\$ -	\$ 87,161	\$ 87,161
Buildings	4,660,487	3,551,347	1,109,140	1,295,561
Computer equipment	9,513	9,513	-	-
Furniture and fixtures	246,448	219,978	26,470	12,215
Signs	6,498	6,498	-	-
Vehicles	<u>69,891</u>	<u>69,891</u>	-	<u>6,990</u>
	<u>\$ 5,079,998</u>	<u>\$ 3,857,227</u>	<u>\$ 1,222,771</u>	<u>\$ 1,401,927</u>

**SYLVAN LAKE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**5. INTERNALLY RESTRICTED RESERVE**

The Foundation is providing for future expenditures by designating certain funds from Unrestricted Net Assets to Internally Restricted Reserve for specific purposes.

***Reserve for Special Projects***

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

***Reserve for Capital Maintenance***

The Board has designated funds for the future renovations and maintenance of the Foundation's lodge. Funds will be allocated on a year-to-year basis as determined annually by the Board. During the year, there was a transfer of \$21,000 to operations from the reserve for capital maintenance (2019 - \$nil).

	<b>2020</b>	2019
Reserve for Special Projects	\$ <b>51,831</b>	\$ 51,831
Reserve for Capital Maintenance	<b>330,759</b>	330,759
Transfer to Operations	<u>(21,000)</u>	<u>-</u>
	<u>\$ <b>361,590</b></u>	<u>\$ 382,590</u>

**6. DEFERRED CONTRIBUTIONS**

Deferred contributions represent funds the Foundation received for the Capital Maintenance and Renewal Program project and the Fire & Safety Program (Sprinkler Fund) project. The contributions will be recognized as the projects costs are incurred.

	<b>2020</b>	2019
Deferred contributions	\$ <u><b>288,626</b></u>	\$ <u>324,015</u>

**7. RESTRICTED OPERATING RESERVE FUND**

The restricted operating reserve fund represents an excess of revenues over expenditures for the years ending prior to December 31, 2005, that were set up as a reserve. In accordance with Alberta Seniors: Alberta Social Housing Corporation's revised policy on the restricted reserve, management bodies are allowed to retain the greater of \$5,000 or \$200 per unit for purposes of a reserve to address cash flow issues.

	<b>2020</b>	2019
Restricted operating reserve fund	\$ <u><b>5,000</b></u>	\$ <u>5,000</u>

**SYLVAN LAKE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**8. RELATED PARTY TRANSACTIONS**

During the year, the Foundation entered into transactions with related parties. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Foundation board members received \$183 (2019 - \$768) for mileage and expense reimbursements while performing duties of the Foundation.

**9. CREDIT FACILITY**

The Foundation has an operating facility with Servus Credit Union of up to \$50,000, bearing interest at the credit union's prime rate plus 0.50%. The effective interest rate at year end is 2.95% (2019 - 4.45%). The operating facility is secured by a general security agreement, a second mortgage over Plan 0222673, Block Z, Lot 5 with a carrying value of \$1,196,302 and an assignment of rents over same. As at December 31, 2020, the Foundation had no amounts outstanding under the operating facility (2019 - \$nil).

**10. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent restricted contributions received that were used to acquire capital assets. The change in the deferred capital contributions is as follows:

	<b>2020</b>	2019
Balance, beginning of year	\$ <b>1,192,523</b>	\$ 1,349,513
Less amount amortized to operations	<u>(156,990)</u>	<u>(156,990)</u>
Balance, end of year	\$ <b><u>1,035,533</u></b>	\$ <u>1,192,523</u>

**11. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

The Foundation is committed under a term lease, for the rent of 0.99 acres of land to the Bethany Care Society, from January 1, 2003 to December 31, 2037, at an annual rent of \$1,000 with an option to renew for an additional ten years. In addition, the Foundation is committed under the terms of its contract with the Bethany Care Society to provide food services, housekeeping, laundry and maintenance at the cost of service plus an 8.00% administrative fee.

The Foundation is committed under the terms of its contract with Alberta Seniors: Alberta Social Housing Corporation to provide maintenance and management services to Sylvan Lake Manor.

The Foundation is committed under an Electricity Sales Contract with Campus Energy with an effective date of January 1, 2014. Under an amending agreement, which covers the period January 1, 2019 through December 31, 2021, the electricity Net System Load Shape, the aggregate consumption of all of the electricity consumers in a utility who do not have interval meters, product price will be 5.20 cents/kwh and electricity retail fee will be 0.10 cents/kwh.

**SYLVAN LAKE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**12. GUARANTEES**

The Foundation has entered into indemnification agreements with the directors and officers to indemnify them, to the extent permitted by law, against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by the directors and officers as a result of any lawsuit, or any judicial, administrative or investigative proceedings in which the directors and officers are sued as a result of their service. These indemnification claims will be subject to any statutory or other legal limitation period. The nature of the indemnification agreements prevents management from making a reasonable estimate of the maximum potential amounts the Foundation could be required to pay counterparties. The Foundation has purchased directors' and officers' liability insurance.

**13. ECONOMIC DEPENDENCE**

The Foundation is economically dependent on funding from the Government of Alberta and the requisition from the Town of Sylvan Lake it receives each year for its operating and capital maintenance needs.

**14. COVID-19**

On March 11, 2020, the coronavirus outbreak (COVID-19) was declared as a pandemic by the World Health Organization. A provincial state of emergency was declared with respect to COVID-19 by the Government of Alberta per the Province of Alberta's Public Health Act on March 17, 2020. As a result, social distancing measures were implemented and economic activity slowed to providing only essential services.

New information, which cannot be predicted, may develop concerning the severity of COVID-19 and there is high uncertainty of any further effects this could have on the Foundation's operations. As a result, we are unable to estimate the further potential impact on the Foundation's operations as at the date of the financial statements.

**15. GOVERNMENT ASSISTANCE**

During the year, the Foundation received \$25,000 in funding from the Temporary Wage Subsidy for Employers program. This program was administered by the Government of Canada in response to COVID-19.

**SYLVAN LAKE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**16. FINANCIAL INSTRUMENTS**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at December 31, 2020.

***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. The Foundation's main credit risks relate to its accounts receivable. A significant portion of the outstanding accounts receivable as at December 31, 2020, is due from one party. The Foundation provides credit to its clients in the normal course of its operations.

***Liquidity Risk***

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

***Market Risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk.

***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 on funds on deposit and any credit facility withdrawals to the extent of changes in the prime interest rate.

It is management's opinion that the Foundation is not exposed to significant credit, liquidity or interest risks arising from these financial instruments.

**SYLVAN LAKE FOUNDATION**  
**SYLVAN LAKE LODGE - STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>REVENUE</b>		
Rent .....	\$ 899,811	\$ 952,136
Temporary Wage Subsidy .....	25,000	-
Contracted services and expense recoveries .....	121,113	51,525
Interest income .....	4,696	16,230
Municipal requisition - Town of Sylvan Lake .....	309,000	300,000
Government of Alberta - LAP and Capital Maintenance .....	214,060	388,914
Government of Alberta - COVID Incremental Funding ..	111,820	-
Sylvan Lake Sustainable Housing Initiative .....	-	25,000
	<u>1,685,500</u>	<u>1,733,805</u>
<b>EXPENSES</b>		
Activity supplies .....	1,693	2,005
Advertising and promotion .....	234	320
Board expenses .....	1,773	3,188
Business taxes, licenses and memberships .....	3,648	3,743
Cleaning and janitorial supplies (recovery) .....	(442)	7,017
Electricity .....	43,289	48,355
Heat .....	30,739	32,536
Insurance .....	6,988	7,523
Laundry service and linen .....	705	3,094
Management and administrative fees .....	39,000	39,000
Office .....	21,983	18,529
Professional fees .....	9,500	33,500
Repairs and maintenance .....	132,040	226,515
Supplies .....	204,858	190,257
Telephone .....	9,616	9,077
Training .....	1,125	1,629
Travel .....	116	251
Vehicle operating .....	2,945	5,891
Wages and benefits .....	1,146,640	920,650
Water and waste removal .....	22,281	27,035
	<u>1,678,731</u>	<u>1,580,115</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE AMORTIZATION .....</b>	<b>\$ <u>6,769</u></b>	<b>\$ <u>153,690</u></b>



**SYLVAN LAKE FOUNDATION**  
**SYLVAN LAKE MANOR - STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>REVENUE</b>		
Rent .....	\$ 83,705	\$ 83,550
Other revenue .....	5,680	5,688
Interest income .....	25	57
Government of Alberta assistance .....	<u>5,261</u>	<u>5,261</u>
	<u>94,671</u>	<u>94,556</u>
<b>EXPENSES</b>		
Cleaning and janitorial supplies .....	1,646	3,508
Electricity .....	8,004	9,176
Heat .....	5,695	6,330
Insurance (recovery) .....	(212)	94
Management and administrative fees .....	10,700	10,700
Office .....	150	150
Professional fees .....	5,000	5,000
Repairs and maintenance .....	9,908	15,055
Telephone .....	2,340	2,455
Wages and benefits .....	13,303	8,747
Water and waste removal .....	<u>15,897</u>	<u>17,203</u>
	<u>72,431</u>	<u>78,418</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE AMORTIZATION .....</b>	<b>\$ <u>22,240</u></b>	<b>\$ <u>16,138</u></b>

**SYLVAN LAKE FOUNDATION**  
**BETHANY - STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>REVENUE</b>		
Contracted services and expense recoveries .....	\$ <u>664,072</u>	\$ <u>558,213</u>
<b>EXPENSES</b>		
Cleaning and janitorial supplies .....	13,587	10,210
Laundry service and linen .....	3,470	3,861
Management and administrative fees .....	71,081	62,103
Repairs and maintenance .....	5,318	5,658
Supplies .....	189,009	184,103
Wages and benefits .....	438,023	357,550
Water and waste removal .....	<u>10,613</u>	<u>14,877</u>
	<u>731,101</u>	<u>638,362</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>		
<b>BEFORE AMORTIZATION</b> .....	\$ <u>(67,029)</u>	\$ <u>(80,149)</u>