



# Park Manor Care Inc.

**Financial Statements**  
**March 31, 2021**





## Independent auditor's report

To the Board of Directors of Park Manor Care Inc.

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Park Manor Care Inc. (the Organization) as at March 31, 2021 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.

#### What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at March 31, 2021;
- the statement of operations and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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

#### Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
June 21, 2021

**Park Manor Care Inc.**  
**Statement of Financial Position**  
**As of March 31, 2021**

ASSETS	Operating Fund \$	Restricted		2021 Total \$	2020 Total \$
		Capital Fund \$	Development Fund \$		
<b>Current Assets</b>					
Cash	527,106	24,121	-	551,227	112,735
Investments - Short-term (note 3)	-	-	1,691,371	1,691,371	1,091,075
Receivable from WRHA (note 4)	317,814	-	-	317,814	272,816
Accounts Receivable Other (note 5)	18,560	-	-	18,560	48,093
Accounts Receivable Residents (note 5)	11,436	-	-	11,436	10,772
Inventories & Prepaid Expenses (note 6)	36,690	-	-	36,690	42,709
Due from Related Parties (note 7)	12,171	-	-	12,171	28,826
Due from Other Funds	68,485	-	14,709	-	-
<b>Total Current Assets</b>	<b>992,262</b>	<b>24,121</b>	<b>1,706,080</b>	<b>2,639,269</b>	<b>1,607,026</b>
<b>Non-Current Assets</b>					
Receivable from WRHA (note 4)	1,060,134	-	-	1,060,134	967,930
Capital Assets (note 8)	-	1,631,938	-	1,631,938	1,787,879
Investments - Long-term (note 3)	-	-	407,628	407,628	869,759
<b>Total Non-Current Assets</b>	<b>1,060,134</b>	<b>1,631,938</b>	<b>407,628</b>	<b>3,099,700</b>	<b>3,625,568</b>
<b>Total Assets</b>	<b>2,052,396</b>	<b>1,656,059</b>	<b>2,113,708</b>	<b>5,738,969</b>	<b>5,232,594</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Current Liabilities</b>					
Wages & Benefits Payable (note 9)	287,174	-	-	287,174	226,917
Vacation & Statutory Holidays Payable	428,593	-	-	428,593	411,653
Accounts Payable & Accruals (note 10)	238,089	-	-	238,089	108,053
Due to Other Funds	-	83,194	-	-	-
Resident Trust & Fees Payable (note 10)	22,404	-	-	22,404	30,884
<b>Total Current Liabilities</b>	<b>976,260</b>	<b>83,194</b>	<b>-</b>	<b>976,260</b>	<b>777,507</b>
<b>Non-Current Liabilities</b>					
Asset Retirement Obligations (note 18)	-	194,544	-	194,544	193,000
Pre-retirement Leave	897,407	-	-	897,407	805,203
Deferred Contributions (note 14)	7,087	878,493	53,880	939,460	1,054,545
<b>Total Non-Current Liabilities</b>	<b>904,494</b>	<b>1,073,037</b>	<b>53,880</b>	<b>2,031,411</b>	<b>2,052,748</b>
<b>Total Liabilities</b>	<b>1,880,754</b>	<b>1,156,231</b>	<b>53,880</b>	<b>3,007,671</b>	<b>2,830,255</b>
<b>Fund Balances</b>					
Unrestricted	171,642	-	217,712	389,354	279,386
Invested in Capital Assets	-	386,544	-	386,544	435,131
Restricted	-	113,284	1,842,116	1,955,400	1,687,822
<b>Total Fund Balances</b>	<b>171,642</b>	<b>499,828</b>	<b>2,059,828</b>	<b>2,731,298</b>	<b>2,402,339</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>2,052,396</b>	<b>1,656,059</b>	<b>2,113,708</b>	<b>5,738,969</b>	<b>5,232,594</b>

Approved by the Board of Directors

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 Director

Original Document Signed  
 Director

**Park Manor Care Inc.****Statement of Operations and Changes in Fund Balances**

Year Ended March 31, 2021

	Operating Fund \$	Restricted		2021 Total \$	2020 Total \$
		Capital Fund \$	Development Fund \$		
<b>REVENUES</b>					
Winnipeg Regional Health Authority (note 15)	5,669,066	-	-	5,669,066	5,050,093
Residential Charges	1,883,164	-	-	1,883,164	2,020,069
Accrued Future Employee Benefits (note 12)	92,204	-	-	92,204	19,993
Pre-retirement Leave (note 13)	30,441	-	-	30,441	56,033
Amortization of Deferred Contributions (note 14)	-	146,022	-	146,022	158,964
Department Recoveries	149,808	-	-	149,808	133,884
Food Service Recoveries	41,528	-	-	41,528	43,985
Adventist Care Foundation - Grants	-	-	50,000	50,000	50,000
Interest Income	-	-	49,575	49,575	61,941
Donations	-	-	23,139	23,139	25,650
Other Revenue	54,968	-	133,641	188,609	37,469
<b>Total Revenues</b>	<b>7,921,179</b>	<b>146,022</b>	<b>256,355</b>	<b>8,323,556</b>	<b>7,658,081</b>
<b>EXPENSES</b>					
Salaries and Wages	5,479,606	-	-	5,479,606	5,313,196
Employee Benefits (note 16)	957,439	-	-	957,439	937,724
Accrued Future Employee Benefits (note 12)	92,204	-	-	92,204	19,993
Pre-retirement Leave	30,441	-	-	30,441	56,033
Health and Education Tax	115,567	-	-	115,567	114,889
Administration (note 4)	289,769	-	-	289,769	124,391
Resident Care and Supports	185,490	-	-	185,490	185,720
Food Services	243,563	-	-	243,563	335,520
Environmental Services	46,979	-	-	46,979	36,673
Physical Plant	164,943	-	-	164,943	177,961
Utilities	199,025	-	-	199,025	191,232
Amortization	-	195,881	-	195,881	240,417
Accretion Expense (note 18)	-	1,544	-	1,544	-
Other Expenses	54,968	-	14,135	69,103	71,909
<b>Total Expenses</b>	<b>7,859,994</b>	<b>197,425</b>	<b>14,135</b>	<b>8,071,554</b>	<b>7,805,658</b>
<b>Excess (Deficiency) Rev over Exp Before Programs</b>	<b>61,185</b>	<b>(51,403)</b>	<b>242,220</b>	<b>252,002</b>	<b>(147,577)</b>
<b>Programs</b>					
Adult Day Program (schedule 1)	76,297	(486)	-	75,811	(3,403)
SSGL Program (schedule 2)	1,146	-	-	1,146	10,185
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>138,628</b>	<b>(51,889)</b>	<b>242,220</b>	<b>328,959</b>	<b>(140,795)</b>
<b>Fund Balances - Beginning of Year</b>	<b>33,014</b>	<b>518,284</b>	<b>1,851,041</b>	<b>2,402,339</b>	<b>2,543,134</b>
Interfund Transfer (note 2)	-	33,433	(33,433)	-	-
<b>Fund Balances - End of Year</b>	<b>171,642</b>	<b>499,828</b>	<b>2,059,828</b>	<b>2,731,298</b>	<b>2,402,339</b>

**Park Manor Care Inc.**  
**Statement of Cash Flows**  
**Year Ended March 31, 2021**

	2021	2020
<b>CASH PROVIDED BY (USED IN)</b>	<b>Total \$</b>	<b>Total \$</b>
<b>Operating Activities</b>		
Excess (Deficiency) of Revenue over Expenses	328,959	(140,795)
Amortization	198,231	242,768
Accretion Expense	1,544	-
Amortization of Deferred Contributions	(146,022)	(158,964)
(Increase) Decrease in Accounts Receivable	(16,129)	84,087
Decrease in Inventory & Prepaids	6,019	8,320
Increase (Decrease) in Accounts Payable	198,753	(22,714)
(Increase) Decrease in Due to Related Party	16,655	(13,585)
(Increase) Decrease in Accrued Interest on Investments	9,935	(6,426)
Unrealized (Gains) Losses on Investments	(90,475)	32,403
<b>Net Cash Provided by Operating</b>	<b>507,470</b>	<b>25,094</b>
<b>Investing Activities</b>		
Increase in Capital Assets	(42,290)	(465,185)
Purchase of Investments	(1,007,625)	(3,402,129)
Disposals of Investments	950,000	3,691,141
<b>Net Cash used in Investing</b>	<b>(99,915)</b>	<b>(176,173)</b>
<b>Financing Activities</b>		
Increase in Deferred Contributions	30,937	260,913
<b>Net Cash Provided by Financing</b>	<b>30,937</b>	<b>260,913</b>
<b>Increase in Cash During the Year</b>	<b>438,492</b>	<b>109,834</b>
<b>Cash - Beginning of Year</b>	<b>112,735</b>	<b>2,901</b>
<b>Cash - End of Year</b>	<b>551,227</b>	<b>112,735</b>



**Park Manor Care Inc.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**1. Incorporation and Nature of the Organization**

Park Manor Care Inc. (the Organization) was originally incorporated as a non-profit organization without share capital under *The Corporations Act of Manitoba* on May 19, 1966. The Organization is registered as a not-for-profit organization under the *Income Tax Act* and as such is exempt from income taxes.

The organization is privately operated under the auspices of The Manitoba-Saskatchewan Conference of the Seventh-day Adventist Church, in cooperation with the Winnipeg Regional Health Authority, providing quality compassionate long-term care to elderly persons in the Transcona area of Winnipeg, Manitoba.

The Mission of the Organization is:

"Offering love, peace, compassion, hope and empowerment...to CARE as Christ does."

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

**Fund Accounting**

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Fund accounting is a procedure whereby a self-balancing group of accounts is provided for each accounting fund established by the Organization.

For financial reporting purposes, the accounts have been classified into three funds. The activities carried out by each fund are as follows:

- The Operating Fund accounts for the Organization's general and administrative operating activities.
- The Capital Fund reports the Organization's investment of resources in long-term capital assets.
- The Development Fund is to be used for the purpose of reporting contributions held for specific projects that the Organization has planned as determined by the Board of Directors.

**Cash**

Cash includes Cash on Hand - Petty Cash funds and Cash for Deposit and amounts held on deposit at banking institutions.

**Investments**

Short-term investments consist of Guaranteed Investment Certificates (GIC), Mutual Funds (MF), Bonds and Money Market Funds (MMF) maturing within the next fiscal year and include related accrued interest.

Long-term investments consist of GIC, Exchange Traded Funds (ETF) maturing beyond the next fiscal year and include related accrued interest.

**Park Manor Care Inc.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

The Organization capitalizes all individual assets grouped in a similar kind with a cost over \$2,000.

Amortization of capital assets starts in the year of acquisition. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

Building and improvements	5 - 40 years
Computer equipment	5 years
Equipment	5 - 20 years

**Long-lived Assets**

Long-lived assets consist of buildings, computer equipment and equipment with finite useful lives. Long lived assets held for use are measured and amortized as described in the applicable accounting policies.

The organization performs impairment testing on long-lived assets held for use whenever events or changing circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized in the statement of operations when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount.

**Asset Retirement Obligations**

The Organization records a liability for an asset retirement obligation as the best estimate of the expenditure required to settle the present value of the obligation at the balance sheet date when the liability for an asset retirement obligation is incurred and a reasonable estimate of the obligation is determinable. The best estimate of the asset retirement obligation is the present value of the amount the Organization would rationally pay to settle the obligation, or transfer it to a third party, at the balance sheet date.

When a liability is recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related asset. The asset amortized over the estimated useful life of the related asset.

The Organization recognizes changes to the liability due to the passage of time in expenses, as accretion. Changes due to the passage of time are calculated by applying an interest method of allocation using the discount rate used in the original calculation of the asset retirement obligation. The Organization recognizes changes to the liability arising from revisions to the timing, amount of expected undiscounted cash flows or discount rate as an increase or decrease to the carrying amount of the asset retirement obligation and the related asset retirement capitalized cost.

**Deferred Contributions**

Deferred contributions relating to the Operating Fund are contributions designated for future general operations or self-funding of insurance deductibles. These contributions are recognized when the expense is incurred.

Deferred contributions relating to the Capital & Development Funds represent the unamortized portion of contributions received for the purchase of capital assets. Capital asset deferred contributions are recognized as revenue on the same basis as respective assets are amortized. Insurance deductible deferred contributions are recognized as revenue on the same basis as respective expenditures are made.

**Park Manor Care Inc.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**Interfund Transfer**

The Organization's Board of Directors, will from time to time, approve fund transfers from the Development Fund to support expenditures of the Capital Fund. These will be shown as transfers between the funds and will be used to offset amortization expense that is not supported by deferred contributions.

**Revenue Recognition**

The Organization 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. Interest income and other revenues are recognized when earned.

**Use of Estimates**

The preparation of financial statements as set out in the basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

The Organization has considered the impact of COVID-19 when preparing the financial statements and related note disclosures. While the effects of COVID-19 have not significantly changed the estimates, judgements and assumptions used in the preparation of the financial statements, it has resulted in increased estimation uncertainty and application of further judgement within those identified areas.

**Contributed Services**

Volunteers at the Organization contributed approximately 1,370 (2020 - 7,719) hours of service in various activities. The significant decrease in volunteers' contributed services in the current fiscal year is due to the COVID-19 pandemic restrictions. Due to the difficulty in determining fair value, contributed services are not recognized in the financial statements.

**Financial Instruments**

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the year incurred.

Financial assets measured at amortized cost include Cash, Investments - Short-term and Long-term, Receivable from WRHA, Accounts Receivable and amounts Due from Related Parties.

Financial liabilities measured at amortized cost include Bank Indebtedness, Wages & Benefits Payable, Vacation and Statutory Holidays Payable, Accounts Payable to WRHA, Accounts Payable & Accruals and Resident Trust & Fees Payable.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

**Park Manor Care Inc.**  
**Notes to Financial Statements**  
Year Ended March 31, 2021

**3. Investments**

	<b>2021</b>	<b>2020</b>
	<b>Total \$</b>	<b>Total \$</b>
<b>Short-term Investments</b>		
MF - CIGBL Investments Grade Credit PVT Pool CL A 2060	100,000	-
MF - Ci Investments Grade BD FD Retial Class A 2185	100,000	-
MF - McKenzie Canadian Short Term Income FD SR PW 6137	100,000	-
Bonds, Canadian Western Bank SR DEP NT maturing Sep 2021	152,067	-
GIC, non-redeemable, earning interest at 2.70%, maturing Jun 2021	100,000	-
GIC, non-redeemable, earning interest at 3.05%, maturing Jun 2021	100,000	-
GIC, non-redeemable, earning interest at 2.70%, maturing Jun 2021	100,000	-
GIC, non-redeemable, earning interest at 2.38%, maturing Dec 2021	100,000	-
GIC, non-redeemable, earning interest at 2.25%, maturing Dec 2021	300,000	-
GIC, non-redeemable, earning interest at 2.46%, maturing Jun 2020	-	100,000
GIC, non-redeemable, earning interest at 2.10%, maturing Jun 2020	-	225,000
GIC, non-redeemable, earning interest at 2.50%, maturing Jun 2020	-	100,000
GIC, non-redeemable, earning interest at 2.60%, maturing Sep 2020	-	100,000
GIC, non-redeemable, earning interest at 2.85%, maturing Nov 2020	-	100,000
GIC, non-redeemable, earning interest at 2.15%, maturing Dec 2020	-	225,000
GIC, non-redeemable, earning interest at 2.75%, maturing Jan 2021	-	100,000
MMF earning interest at 1.70% and Investment Cash	515,631	120,084
Accrued Interest	30,192	20,991
Unrealized Losses	(6,519)	-
<b>Total Short-term Investments</b>	<b>1,691,371</b>	<b>1,091,075</b>
<b>Long-term Investments</b>		
GIC, non-redeemable, earning interest at 1.00%, maturing Oct 2022	50,000	-
GIC, non-redeemable, earning interest at 1.15%, maturing Oct 2023	50,000	-
GIC, non-redeemable, earning interest at 2.70%, maturing Jun 2021	-	100,000
GIC, non-redeemable, earning interest at 3.05%, maturing Jun 2021	-	100,000
GIC, non-redeemable, earning interest at 2.70%, maturing Jun 2021	-	100,000
GIC, non-redeemable, earning interest at 2.38%, maturing Dec 2021	-	100,000
GIC, non-redeemable, earning interest at 2.25%, maturing Dec 2021	-	300,000
ETF, iSHARES Capped Financials Index	100,434	100,434
ETF, BMO Equal Weight Banks Index	140,144	80,133
Accrued Interest	480	19,616
Unrealized Gains (Losses)	66,570	(30,424)
<b>Total Long-term Investments</b>	<b>407,628</b>	<b>869,759</b>
<b>Total Investments</b>	<b>2,098,999</b>	<b>1,960,834</b>

**4. Receivable from Winnipeg Regional Health Authority (WRHA)**

	<b>2021</b>	<b>2020</b>
	<b>Total \$</b>	<b>Total \$</b>
<b>Receivable Type</b>		
Operating, Capital and Pre-retirement Leave Funding from 2015 to 2021	448,696	272,816
Less: Allowance for Bad Debts	130,882	-
<b>Sub-total Accounts Receivable WRHA</b>	<b>317,814</b>	<b>272,816</b>
Pre-retirement Leave & Vacation Pay Liability (note 12 and 13)	1,060,134	967,930
<b>Total Receivable from WRHA</b>	<b>1,377,948</b>	<b>1,240,746</b>

The Allowance for Bad Debts is included in the Administration Expenses.

**Park Manor Care Inc.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

**5. Accounts Receivable**

	<b>2021</b>	<b>2020</b>
	<b>Total \$</b>	<b>Total \$</b>
<b>Accounts Receivable Other</b>		
GST Rebate	13,491	39,037
Employees	-	436
Other	5,069	8,620
<b>Total Accounts Receivable Other</b>	<b>18,560</b>	<b>48,093</b>
<b>Accounts Receivable Residents</b>		
Resident Fees	21,557	10,079
Resident Trust	7,598	6,987
<b>Sub-total Accounts Receivable Residents</b>	<b>29,155</b>	<b>17,066</b>
Less: Allowance for Bad Debts	17,719	6,294
<b>Total Accounts Receivable Residents</b>	<b>11,436</b>	<b>10,772</b>
<b>Total Accounts Receivable</b>	<b>29,996</b>	<b>58,865</b>

**6. Inventories & Prepaid Expenses**

	<b>2021</b>	<b>2020</b>
	<b>Total \$</b>	<b>Total \$</b>
<b>Inventories</b>		
Resident Care Supplies	8,642	8,211
Food Services Food	8,084	8,958
Food Services Supplies	2,904	1,384
Housekeeping Supplies	2,793	3,312
Linen Supplies	1,577	1,874
Office Supplies	1,762	1,749
<b>Total Inventories</b>	<b>25,762</b>	<b>25,488</b>
<b>Prepaid Expenses</b>		
Insurance	5,765	5,249
WCB	779	7,789
Other	4,384	4,183
<b>Total Prepaid Expenses</b>	<b>10,928</b>	<b>17,221</b>
<b>Total Inventories &amp; Prepaid Expenses</b>	<b>36,690</b>	<b>42,709</b>

**7. Due from (to) Related Parties**

	<b>2021</b>	<b>2020</b>
	<b>Total \$</b>	<b>Total \$</b>
<b>Related Parties</b>		
Adventist Care Foundation Inc.	20,844	10,000
East Park Lodge Inc.	(8,673)	18,826
<b>Total Due from Related Parties</b>	<b>12,171</b>	<b>28,826</b>

East Park Lodge Inc., Adventist Care Foundation Inc. and the Organization are related by virtue of a common President, Vice-President and Secretary of the Corporations.

During the year East Park Lodge Inc. paid \$26,200 (2020 - \$25,450) in management fees, \$20,000 (2020 - \$28,800) in maintenance fees and \$13,000 (2020 - \$20,400) in housekeeping fees to the Organization.

During the year the Adventist Care Foundation Inc. paid grants to the Organization for Consultants and ongoing development totalling \$50,000 (2020 - \$50,000).

**Park Manor Care Inc.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

**8. Capital Assets**

<b>Asset Class</b>	<b>Cost \$</b>	<b>Accumulated Amortization \$</b>	<b>2021 Total \$</b>	<b>2020 Total \$</b>
Land	160,829	-	160,829	160,829
Buildings and Improvements	4,243,586	3,281,652	961,934	1,077,836
Computer Equipment	96,545	81,717	14,828	12,764
Equipment and Furniture	1,553,034	1,058,687	494,347	534,848
Construction in Progress	-	-	-	1,602
<b>Total Capital Assets</b>	<b>6,053,994</b>	<b>4,422,056</b>	<b>1,631,938</b>	<b>1,787,879</b>

**9. Wages and Benefits Payable**

<b>Wages and Benefits Category</b>	<b>2021 Total \$</b>	<b>2020 Total \$</b>
Salaries, Wages and other related	183,636	126,791
Healthcare Employees Pension Plan	69,693	66,420
Healthcare Employees Benefits Plan	33,845	33,706
<b>Total Wages and Benefits Payable</b>	<b>287,174</b>	<b>226,917</b>

Included in total wages and benefits payable as at March 31, 2021 is a payable to the government for payroll deductions owing of \$18,568 (2020 - \$15,391). Payroll related obligations owed directly to the government are remitted with each pay period and the last pay period for this fiscal period ended March 20, 2021.

**10. Accounts Payable**

<b>Accounts Payable &amp; Accruals</b>	<b>2021 Total \$</b>	<b>2020 Total \$</b>
Trade Payables & Others	181,056	61,726
Professional Fees	15,894	15,700
Employee Benefits	2,626	4,985
Property Taxes, Utilities & Others	38,513	25,642
<b>Total Accounts Payable &amp; Accruals</b>	<b>238,089</b>	<b>108,053</b>
<b>Resident Trust &amp; Fees Payable</b>		
Resident Trust	4,074	4,380
Resident Charges Trust2	825	1,289
Resident Fees	17,505	25,215
<b>Total Resident Trust &amp; Fees Payable</b>	<b>22,404</b>	<b>30,884</b>
<b>Total Accounts Payable</b>	<b>260,493</b>	<b>138,937</b>

**11. Operating Credit**

The Organization has an available line of operating credit with CIBC to a maximum of \$50,000 (2020 - \$50,000). The operating line has interest charged monthly at the bank's prime rate plus 0.5% and is secured by an overdraft lending agreement in the amount of \$105,000, including \$55,000 for two CIBC Corporate credit cards. The operating bank account line of credit was not accessed in 2021 (2020 - not accessed).

## **12. Future Employee Benefits**

Under guidelines produced by Manitoba Health and/or WRHA, funding owed to the Organization related to pre-retirement leave benefits and vacation pay liability is recognized as an out of global budget accounts receivable for March 31, 2004 and prior years.

### **Vacation Pay**

Under guidelines produced by the WRHA, they will fund the Organization's vacation pay liability, recognized as accounts receivable in the amount of \$232,434 as at March 31, 2004.

### **Pre-retirement Leave**

Funding for employee future benefits incurred for fiscal years 2005 through 2008 are included in the Organization's global funding and were not recorded as a receivable, as Manitoba Health and/or WRHA had directed all health care facilities to record the future employee benefits liability but not the corresponding receivable.

Beginning with the 2009 fiscal year, Manitoba Health and WRHA agreed to provide funding for 100% of the Pre-retirement Liability accrued during the year. The significant actuarial assumptions adopted in measuring the Organization's accrued pre-retirement entitlement include a discount rate of 3.5% and a rate of salary increase of nil for 2020-2021.

Under WRHA guidelines, funding owed to the Organization related to pre-retirement future benefits is as follows:

<b>Fiscal Year</b>	<b>Future Liability \$</b>	<b>Accounts Receivable \$</b>
2004-05	319,838	303,367
2005-06	373,074	328,650
2006-07	413,647	369,223
2007-08	389,789	345,365
2008-09	436,072	336,365
2009-10	503,001	433,294
2010-11	646,331	576,624
2011-12	690,928	621,221
2012-13	766,214	696,507
2013-14	633,000	563,293
2014-15	677,000	607,293
2015-16	723,000	653,293
2016-17	779,754	710,047
2017-18	794,770	725,063
2018-19	785,210	715,503
2019-20	805,203	735,496
2020-21	897,407	827,700

For the March 31, 2021 fiscal year, the Organization incurred employee future benefits and receivable from WRHA in the same amount as directed by Manitoba Health and the WRHA. The current year amount is increased by \$92,204 (2020 - increased by \$19,993).

Total of Pre-retirement and Vacation Pay Accounts Receivable for 2021 is \$1,060,134 (2020 - \$967,930).

**Park Manor Care Inc.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**13. Pre-retirement Leave**

Pre-retirement Leave is a retirement benefit funded by Manitoba Health and managed by the WRHA. It provides for a lump sum amount to eligible retiring employees according to years of service - based on calculations provided by the WRHA. The amount is paid by the Organization to the employee upon retirement and fully funded by the WRHA.

**14. Deferred Contributions**

				<b>2021</b>	<b>2020</b>
<b>Deferred Contribution Sources</b>	<b>Operating</b>	<b>Capital</b>	<b>Development</b>	<b>Total \$</b>	<b>Total \$</b>
Balance - Beginning of Year	6,087	994,578	53,880	1,054,545	952,596
WRHA - Basic Equipment Funding	-	17,500	-	17,500	17,500
WRHA - Other Equipment Funding	-	8,135	-	8,135	238,111
WRHA - Major Repairs Funding	-	4,302	-	4,302	4,302
WRHA - Insurance Deductible	1,000	-	-	1,000	1,000
<b>Total Deferred Contributions Available</b>	<b>7,087</b>	<b>1,024,515</b>	<b>53,880</b>	<b>1,085,482</b>	<b>1,213,509</b>
Recognized as Revenue during the Year	-	146,022	-	146,022	158,964
<b>Balance - End of Year</b>	<b>7,087</b>	<b>878,493</b>	<b>53,880</b>	<b>939,460</b>	<b>1,054,545</b>

**15. WRHA Operating Funding**

	<b>2021</b>	<b>2020</b>
<b>Funding Category</b>	<b>Total \$</b>	<b>Total \$</b>
Baseline Operating	5,253,125	4,763,219
Supplemental	209,025	209,025
Accrued Wage Adjustments	23,757	25,210
HEB/HEPP/Blue Cross Benefits	20,979	21,216
Medical Administration	14,876	14,876
Staff Training & Influenza Vaccine	-	665
<b>Total WRHA Operating Funding</b>	<b>5,521,762</b>	<b>5,034,211</b>
Resident Fees Year End Adjustment	147,304	15,882
<b>Net WRHA Operating Funding</b>	<b>5,669,066</b>	<b>5,050,093</b>

**16. Employee Benefit Contributions**

	<b>2021</b>	<b>2020</b>
<b>Benefit Category</b>	<b>Total \$</b>	<b>Total \$</b>
Canada Pension Plan	235,100	228,782
HEPP Pension Plan (note 17)	380,582	377,272
Employment Insurance	109,063	110,690
Workers Compensation Board	54,530	33,951
Disability and Rehabilitation Plan	57,381	59,151
Extended Health Plan	38,812	41,695
Dental Plan	47,120	50,310
Group Life Plan	9,927	10,159
Healthcare Spending Account	20,979	21,216
Employment Assistance Plan	3,945	4,498
<b>Total Employer Contributions - PCH Program</b>	<b>957,439</b>	<b>937,724</b>



## **17. Pension Plan**

The Organization participates in the Health Employees' Pension Plan which is a multi-employer defined benefit pension plan available to all employees. The costs of the benefit plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of Canadian Institute of Chartered Accountants Accounting Standards for Private Enterprises Section 3462. Total contributions to the plan on behalf of employees of all programs during the year were \$380,582 (2020 - \$377,272).

## **18. Asset Retirement Obligations**

In 2020, asset retirement obligations were estimated by management based on estimated costs to remove asbestos within the building, as identified by the WRHA. The Organization is legally required to dismantle and remove the asbestos at the end of the building's remaining useful life, which in 2020 was estimated to be 20 years. At inception, the asset retirement obligation was estimated to have a net present value of \$193,000, and a corresponding amount was capitalized as an asset retirement cost and added to the carrying value of the building. During the year, the Organization recorded an accretion expense of \$1,544 (2020 - nil) on the obligation, and depreciation of \$9,650 (2020 - nil) on the related asset.

## **19. Risk Management**

The Organization manages risk and risk exposures by applying policies approved by the Board of Directors.

It is management's opinion that the Organization is not exposed to significant currency or other price risks arising from its financial instruments.

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Organization, in the normal course of business, is exposed to credit risk from its residents. However, the broad resident base minimizes the credit risk.

### **Interest Rate Risk**

Interest rate risk refers to the adverse consequences of interest rate changes on the Organization's cash flows, financial position, and revenue. Certain of the Organization's investments are subject to changes in interest rates.

### **Liquidity Risk**

Liquidity risk is the risk that the Organization may have difficulty meeting its financial obligations associated with financial liabilities in full. Management expects the Organization to be able to meet its financial obligations in the foreseeable future.

## **20. Significant Funding Source**

A significant portion of the Organization's operating funds are received from the WRHA. The percentage of total revenues from the WRHA for the current year is 73.5% (2020 - 69.3%).

**Park Manor Care Inc.**  
**Schedule 1 - Adult Day Program**  
**Year Ended March 31, 2021**

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**OPERATING REVENUES AND EXPENSES**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>	<b>Total \$</b>	<b>Total \$</b>
WRHA	146,443	150,896
Participant Fees	-	24,952
Other Revenue	-	2,975
<b>Total Revenues</b>	<b>146,443</b>	<b>178,823</b>
<b>EXPENSES</b>		
Salaries and Wages	50,842	75,553
Employee Benefits	11,068	12,968
Health and Education Tax	1,151	1,618
Participant Travel	-	73,383
Participant Meals	135	9,449
Program Expense	676	2,401
Administrative Expense	874	1,367
Management Fees	5,400	5,000
<b>Total Expenses</b>	<b>70,146</b>	<b>181,739</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>76,297</b>	<b>(2,916)</b>

**Park Manor Care Inc.****Schedule 2 - Support for Seniors in Group Living (SSGL) Program**

Year Ended March 31, 2021

**OPERATING REVENUES AND EXPENSES**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>	<b>Total \$</b>	<b>Total \$</b>
WRHA	87,360	90,100
Other Revenue	-	-
<b>Total Revenues</b>	<b>87,360</b>	<b>90,100</b>
<b>EXPENSES</b>		
Salaries and Wages	62,480	58,977
Employee Benefits	14,316	11,687
Health and Education Tax	1,333	1,299
Program Expense	2,165	1,903
Administrative Expense	1,420	2,149
Management Fees	4,500	3,900
<b>Total Expenses</b>	<b>86,214</b>	<b>79,915</b>
<b>Excess of Revenues over Expenses</b>	<b>1,146</b>	<b>10,185</b>



Park Manor Care

**March 31, 2021**