

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022**

Draft

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION  
INDEX  
MARCH 31, 2022**

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Draft

## INDEPENDENT AUDITORS' REPORT

To the Members of:  
**Shoreham Village Senior Citizens Association**

### *Qualified Opinion*

We have audited the financial statements of **Shoreham Village Senior Citizens Association** ("the Association"), which comprise the statement of financial position as at March 31, 2022 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2022, and 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 Qualified Opinion*

In common with many not-for-profit organizations, the Association derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2022 and assets and net assets as at March 31, 2021 and 2022.

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 Association 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 Matter*

The financial statements of the Association for the year ended March 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on June 3, 2021.

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

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

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 Association 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.

Dartmouth, Nova Scotia  
June XX, 2022

**Chartered Professional Accountants**

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>REVENUES</b>			
Long-term care (Schedule)	7,931,947	8,573,199	8,965,820
Commercial services	<u>-</u>	<u>31,261</u>	<u>30,211</u>
	<u>7,931,947</u>	<u>8,604,460</u>	<u>8,996,031</u>
<b>EXPENSES (SCHEDULE)</b>			
Administrative	499,235	565,071	519,680
Resident care	4,561,388	4,682,123	5,404,518
Dietetic services	979,361	1,026,874	1,059,477
Environmental services	665,409	728,816	799,311
Facility services	513,300	460,950	548,586
Program support	313,210	348,122	332,700
Commercial services	<u>-</u>	<u>23,410</u>	<u>23,073</u>
	<u>7,531,903</u>	<u>7,835,366</u>	<u>8,687,345</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	400,044	769,094	308,686
<b>OTHER ITEMS</b>			
Amortization	380,400	368,673	379,318
Interest	<u>19,644</u>	<u>19,656</u>	<u>25,561</u>
	<u>400,044</u>	<u>388,329</u>	<u>404,879</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>-</u>	<u>380,765</u>	<u>( 96,193)</u>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**AS AT MARCH 31, 2022**

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	Unrestricted	Internally Restricted	Total 2022
	\$	\$	\$
<b>NET ASSETS</b>			
Balance, beginning of year	55,707	245,287	300,994
Excess (deficiency) of revenue over expenses	380,765	-	380,765
Transfers	-	-	-
Balance, end of year	<u>436,472</u>	<u>245,287</u>	<u>681,759</u>

	Unrestricted	Internally Restricted	Total 2021
	\$	\$	\$
<b>NET ASSETS</b>			
Balance, beginning of year	156,408	240,779	397,187
Excess (deficiency) of revenue over expenses	( 96,193)	-	( 96,193)
Transfers	( 4,508)	4,508	-
Balance, end of year	<u>55,707</u>	<u>245,287</u>	<u>300,994</u>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

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	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	956,285	1,172,181
Accounts receivable (Note 4)	216,358	125,600
Inventory	40,152	43,494
Prepays	3,038	6,958
Residents' trust funds held in trust	<u>12,985</u>	<u>13,610</u>
	1,228,818	1,361,843
<b>CAPITAL ASSETS (Note 5)</b>	<u>2,327,158</u>	<u>1,942,514</u>
	<u><b>3,555,976</b></u>	<u><b>3,304,357</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	848,680	866,014
Deferred revenue	159,132	100,817
Residents' funds held in trust	12,985	13,610
Current portion of long-term debt	<u>131,161</u>	<u>126,546</u>
	1,151,958	1,106,987
<b>LONG-TERM DEBT (Note 7)</b>	349,823	480,984
<b>DEFERRED REVENUE - CAPITAL PROJECTS</b>	56,197	127,332
<b>DEFERRED CONTRIBUTIONS</b>	1,314,169	1,285,990
<b>EMPLOYEE FUTURE BENEFITS (Note 8)</b>	<u>2,070</u>	<u>2,070</u>
	<u><b>2,874,217</b></u>	<u><b>3,003,363</b></u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	436,472	55,707
<b>INTERNALLY RESTRICTED</b>	<u>245,287</u>	<u>245,287</u>
	<u>681,759</u>	<u>300,994</u>
	<u><b>3,555,976</b></u>	<u><b>3,304,357</b></u>
<b>CONTRACTUAL OBLIGATIONS (Note 10)</b>		
<b>CONTINGENT LIABILITIES (Note 11)</b>		

Approved by the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director



**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING</b>		
Excess (deficiency) in revenues over expenses for the year	380,765	( 96,193)
Items not affecting cash		
Amortization	368,673	379,318
Amortization of deferred contributions	( 460,791)	( 142,911)
	<b>288,647</b>	<b>140,214</b>
Changes in non-cash working capital items		
Accounts receivable	( 90,758)	( 15,215)
Inventory	3,342	( 5,336)
Prepays	3,920	( 3,245)
Residents' trust funds held in trust	625	( 6,443)
Accounts payable and accrued liabilities	( 17,334)	71,766
Deferred revenue	58,315	( 199,761)
Residents' funds held in trust	( 625)	6,443
	<b>246,132</b>	<b>( 11,577)</b>
<b>FINANCING</b>		
Net change in deferred revenue - capital projects	( 71,135)	( 83,851)
Receipts on deferred contributions	488,970	113,194
Payments on long-term debt	( 126,546)	( 128,106)
	<b>291,289</b>	<b>( 98,763)</b>
<b>INVESTING</b>		
Acquisition of capital assets	( 753,317)	( 336,748)
<b>CHANGE IN CASH</b>	<b>( 215,896)</b>	<b>( 447,088)</b>
<b>CASH - beginning of year</b>	<b>1,172,181</b>	<b>1,619,269</b>
<b>CASH - end of year</b>	<b>956,285</b>	<b>1,172,181</b>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**1. OPERATIONS**

Shoreham Village Senior Citizens Association ("the Association"), incorporated under the Province of Nova Scotia's Societies Act, operates a home for the aged under the name Shoreham Village in Chester, Nova Scotia.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

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

Cash

Cash consists of cash on hand and bank balances held with a financial institution.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is measured using the first-in first-out method. Net realizable value is the estimated selling price, including the cost of purchase, transportation and other direct costs attributable to the acquisition of inventory, less any applicable variable selling costs.

Capital assets

Capital assets are recorded at cost. Cost includes the purchase price and other acquisition costs such as installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. Where constructed by the Association, the cost also includes direct construction or development costs, such as materials and labour, as well as overhead costs directly attributable to the construction or development activity.

Amortization is provided for using the following rates and method over the estimated useful lives as follows:

Buildings	3%-20%	Straight-line
Furniture and equipment	20%	Straight-line
Roadways	20%	Straight-line
Vehicles	10%	Straight-line
Well	10%	Straight-line

One half year's amortization is taken in the year of acquisition.

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

### Income taxes

The Association is a non-profit organization under section 149.1(1) of the Income Tax Act, and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

### Revenue recognition

The Association follows the deferral method of accounting for contributions which includes long-term care contributions and commercial services.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

Bequests, donations and memoriams are recognized as revenue of the donation fund (part of the internally restricted fund) when received.

Unrestricted investment income is recognized as revenue when earned.

Contributions for capital assets are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related capital asset.

### Contributed goods and services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Association's operations and would otherwise have been purchased.

The Association benefits from donated services in the form of volunteer time for various programs and objectives of the Association. Due to the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Pension expense and obligation

The Association offers a multi-employer defined benefit pension plan to employees under the Nova Scotia Health Employees' Pension Plan. Due to the nature of the plan, the Association does not have sufficient information to account for the plan as a defined benefit plan. Therefore the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period when the Association is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in accounts payable and accrued liabilities on the balance sheet.

The Association offers a RRSP plan to employees; the pension expense is equal to the Association's share of the amount of contributions to the plan on behalf of the employees.

### Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for uncollectable accounts receivable, inventory obsolescence, amortization, employee future benefits, certain accruals, and contingencies. Actual results could differ from those estimates.

### Financial instruments

#### *Measurement of financial instruments*

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

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except related party transactions which are measured at their carrying value, unless those transactions are with a person or entity whose sole relationship with the Association is in the capacity of management in which case subsequently measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and residents' trust funds held in trust.

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

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

*Measurement of financial instruments (Continued)*

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, residents' funds held in trust and long-term debt.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in net earnings. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in net earnings.

*Transaction costs*

The Association recognizes its transaction costs in net income in the period incurred. However, the carrying amounts of the financial instruments that will not be subsequently measured at fair value include the transaction costs that are directly attributable to their origination, issuance or assumption.

**3. OPERATING LINE OF CREDIT**

The Association has an operating bank overdraft authorized in the amount of \$50,000. Any outstanding balance bears interest at the Bank's prime rate plus 1% per annum. A general assignment of book debts and a floating charge over all other assets owned by the Association and an unlimited guarantee by Shoreham Village Senior Citizens Apartments Association, have been given to the Bank of Nova Scotia as collateral security for loans. At March 31, 2022, the Association's operating bank overdraft balance was \$NIL (2021 - \$NIL).

**4. ACCOUNTS RECEIVABLE**

	<b>2022</b>	<b>2021</b>
	\$	\$
Trade accounts receivable	116,595	69,964
HST recoverable	99,763	56,532
Allowance for doubtful accounts	-	( 896)
	<b>216,358</b>	<b>125,600</b>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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<b>5. CAPITAL ASSETS</b>	Cost	Amortization	Net 2022	Net 2021
	\$	\$	\$	\$
Land, including grounds improvements	201,972	-	<b>201,972</b>	201,972
Buildings	5,941,358	4,228,285	<b>1,713,073</b>	1,282,808
Furniture and equipment	2,571,781	2,159,668	<b>412,113</b>	457,734
Roadways	70,375	70,375	-	-
Vehicles	82,464	82,464	-	-
Well	<u>135,551</u>	<u>135,551</u>	<u>-</u>	<u>-</u>
	<u><b>9,003,501</b></u>	<u><b>6,676,343</b></u>	<u><b>2,327,158</b></u>	<u><b>1,942,514</b></u>
 <b>6. ACCOUNTS PAYABLE</b>			<b>2022</b>	2021
			\$	\$
Trade accounts payable			<b>413,668</b>	369,502
Wage accrual			<b>336,000</b>	397,860
Government remittances			<b>60,384</b>	60,510
Other payables			<u><b>38,628</b></u>	<u>38,142</u>
			<u><b>848,680</b></u>	<u><b>866,014</b></u>
 <b>7. LONG-TERM DEBT</b>			<b>2022</b>	2021
			\$	\$
Housing Nova Scotia mortgage payable, secured by a sixth charge mortgage upon land and building with a net book value of \$1,915,045, repayable in monthly blended instalments of \$2,148 until March 2023, including interest at 3.71% per annum.			<b>25,149</b>	49,508

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

<b>7. LONG-TERM DEBT (Continued)</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Royal Bank mortgage payable, secured by a first charge mortgage upon land and building with a net book value of \$1,915,045, repayable in monthly blended instalments of \$10,034 until April 2026, including interest at 3.59% per annum.	<u><b>455,835</b></u>	<u>558,022</u>
	<b>480,984</b>	607,530
Less current portion	<u><b>131,161</b></u>	<u>126,546</u>
	<u><b>349,823</b></u>	<u>480,984</u>

Assuming like terms, principal due within each of the next 5 years on long-term debt is approximately as follows:

	\$
2023	131,161
2024	109,724
2025	113,699
2026	117,817
2027	10,009

**8. EMPLOYEE FUTURE BENEFITS**

Effective March 31, 2015, the retiring allowance was discontinued. Service up to March 31, 2015 is included in determination of the retiring allowance amount, in addition an early payout option was offered. For those who did not elect to defer their payout, the accrued benefit obligation is equal to their retirement allowance payment. The actuarial liability of the retirement allowance entitlements as at March 31, 2022 is \$2,070 (2021 - \$2,070).

**9. PENSION PLAN**

The Association contributes to two pension plans on behalf of its employees. The first is a group registered retirement savings plan in which the Association pays 9.22% of the employees earnings.

The second plan is a multi-employer defined benefit plan administered by the Nova Scotia Health Employees' Pension Plan Trustees in which the Association pays 9.22% of the employees' earnings up to the yearly maximum pensionable earnings.

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**9. PENSION PLAN (Continued)**

The most recent actuarial valuation was at July 1, 2021 and showed the following results for the entire plan (in thousands):

	\$
Accrued benefit obligation	10,913,722
Funding excess	3,150,278
Market value of assets	10,739,236

The Association bears no direct financial liability for any unfunded liability of the plan as the responsibility lies with the plan Trustees.

The amount contributed to the plans for the year ended March 31, 2022 was \$318,711 (2021 - \$358,167) and was expensed by the Association.

**10. CONTRACTUAL OBLIGATIONS**

Lease commitments

The Association leases office equipment with terms expiring in 2025. The minimum lease payments for each of the next 4 years are as follows:

	\$
2023	2,990
2024	2,990
2025	2,990
2026	2,243

Other contracts

The Association entered into a fee for service management contract with Northwood Support Services Incorporated ("Northwood") on March 14, 2016. Under the terms of the agreement, Northwood provides operational support to the Association in a manner consistent with the Association's Board of Directors policies, by laws and strategic priorities, and alignment with the Association's mission, vision and values. Either party may, at any time and without cause, give the other party 12 months' written notice of termination of the contract.

**11. CONTINGENT LIABILITIES**

The Association has a contingent liability for accumulated sick leave. Employees earn sick leave credits at the rate of two eight-hour days per month and shall accumulate sick leave to a maximum of 24 days.



**11. CONTINGENT LIABILITIES (Continued)**

Sick leave benefits are a form of insurance for employees against loss of earnings due to sickness and are not automatic entitlements. Any unused sick leave benefits shall be cancelled on termination of employment. The amount of this potential liability cannot be reasonably estimated and sick leave is expensed in the statement of operations as employees utilize the entitlement.

**12. RELATED PARTY TRANSACTIONS**

On June 1, 2011, the Association entered into a shared well water agreement with Shoreham Village Senior Citizens Apartments Association for wells, pump house and water distribution system situated on the properties of both parties, to be used by the parties in accordance with the agreement. Each party shall pay a proportionate share of all expenses for the operation, maintenance, removal and replacement of pre-existing improvements of the wells, pump house and water distribution system. Each respective share has been determined by each party's water consumption. The Association is responsible for 65% and Shoreham Village Senior Citizens Apartments Association is responsible for 35% of the total cost of repairs and maintenance on said wells, pump house, circulating pumps, water conditioning system and water pipes to/from all wells. During the year \$2,140 (2021 - \$5,211) was charged to Shoreham Village Senior Citizens Apartments Association with respect to this agreement.

**13. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT**

Under Public Sector Compensation Disclosure Act of Nova Scotia, public sector bodies are required to report compensation paid or provided to any person equalling or exceeding \$100,000 during the fiscal year. No person received \$100,000 or more in annual compensation during the year.

**14. ECONOMIC DEPENDENCE**

The Association is funded by way of a fixed per diem, the cost of which is shared by the Department of Health and Wellness and the Residents. As such, the Association is dependent upon the Department of Health and Wellness to fund capital requirements and operations.

## **15. FINANCIAL INSTRUMENTS**

### *Risks and concentrations*

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at March 31, 2022.

It is management's opinion that the Association is not exposed to significant currency or other price risks from its financial instruments. The risks arising on financial instruments are limited to the following:

### *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. Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash, accounts receivable and residents' trust funds held in trust. The Association deposits its cash and residents' trust funds held in trust in reputable financial institutions and therefore believes the risk of loss to be remote. The Association is exposed to credit risk from customer accounts receivable. The Association believes this credit risk is minimized as the Association has a large and diverse customer base. A provision for impairment of accounts receivable is established when there is objective evidence that the Association will not be able to collect all amounts due.

### *Liquidity risk*

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, residents' funds held in trust, long-term debt, and employee future benefits. The Association generates sufficient cash flow from operating activities to fund operations and fulfill obligations as they become due. Sufficient financing facilities are in place should cash requirements exceed cash generated from operations.

### *Market risk*

Market risk is the risk that the fair value or 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 Association is mainly exposed to interest rate risk.

**15. FINANCIAL INSTRUMENTS (Continued)**

*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 Association is exposed to interest rate risk on its financial obligations at variable interest rates.

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**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**16. SUPPLEMENTAL INFORMATION**

The operating revenues and expenses for the years ended March 31, 2022 and March 30, 2021 are provided in the following format at the request of the Department of Health and Wellness.

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>REVENUES</b>			
Department of Health and Wellness	6,110,581	6,199,966	6,578,046
Accommodation charges	1,646,161	1,663,628	1,624,614
Insurers of First Resort	-	-	29,606
Private per diems	-	550,655	549,309
Other	<u>54,670</u>	<u>80,049</u>	<u>86,710</u>
	<u>7,811,412</u>	<u>8,494,298</u>	<u>8,868,285</u>
<b>EXPENSES</b>			
Salaries			
Administration	100,388	103,864	102,958
Direct care	3,536,036	3,257,605	3,880,753
Program support	192,211	247,368	212,525
Dietary	512,563	544,729	588,392
Environmental	471,937	504,833	548,471
Maintenance	90,468	87,687	101,807
Benefits	1,182,267	1,254,678	1,242,593
Operations and Maintenance			
Administration	440,571	490,471	451,958
Direct care	212,166	533,130	668,578
Program support	14,280	7,649	7,584
Dietary	321,075	344,040	337,947
Environmental	52,200	74,673	63,956
Maintenance	405,741	361,228	456,751
Capital	<u>279,509</u>	<u>309,429</u>	<u>311,851</u>
	<u>7,811,412</u>	<u>8,121,384</u>	<u>8,976,124</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>-</u>	<u>372,914</u>	<u>( 107,839)</u>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**SCHEDULE TO STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

19

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>REVENUES</b>			
<b>LONG-TERM CARE</b>			
Deferred contributions	120,535	78,900	97,536
Department of Health	6,110,581	6,746,739	7,126,888
Other	54,670	80,049	86,710
Resident contributions	<u>1,646,161</u>	<u>1,667,511</u>	<u>1,654,686</u>
	<u>7,931,947</u>	<u>8,573,199</u>	<u>8,965,820</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE</b>			
Advertising	600	659	92
Bad debts	-	( 52)	-
Bank charges	5,400	5,347	5,248
Consulting	239,206	247,766	235,507
Employee development	1,200	1,560	-
In-home ceremonies	13,200	6,482	11,083
Information technology	26,220	65,530	48,744
Legal and audit	15,840	30,496	23,873
Memberships	13,320	13,709	8,054
Office supplies and postage	25,147	36,028	33,486
Salaries and benefits	127,602	132,017	131,716
Telecommunications	20,100	17,070	16,760
Travel	<u>11,400</u>	<u>8,459</u>	<u>5,117</u>
	<u>499,235</u>	<u>565,071</u>	<u>519,680</u>
<b>RESIDENT CARE</b>			
Contracted services	57,563	260,953	357,513
Drugs	8,395	10,085	7,831
Employee development	-	72	3,000
Equipment maintenance	16,808	16,010	16,725
Incontinent system	52,000	63,947	71,201
Salaries and benefits	4,370,822	4,156,658	4,754,885
Supplies	55,800	157,084	168,509
Travel	-	6,056	17,224
Woundcare	-	<u>11,258</u>	<u>7,630</u>
	<u>4,561,388</u>	<u>4,682,123</u>	<u>5,404,518</u>
<b>DIETETIC SERVICES</b>			
Equipment maintenance	15,600	11,906	3,886
Food and beverages	298,072	317,618	308,118
Salaries and benefits	642,686	670,265	717,826
Supplies and small wares	<u>23,003</u>	<u>27,085</u>	<u>29,647</u>
	<u>979,361</u>	<u>1,026,874</u>	<u>1,059,477</u>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION**  
**SCHEDULE TO STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

20

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>EXPENDITURES</b>			
<b>ENVIRONMENTAL SERVICES</b>			
Furnishings	17,880	25,746	51,779
Garbage removal	6,000	6,805	5,481
Salaries and benefits	589,329	621,592	677,914
Supplies	52,200	74,673	63,956
Transportation	-	-	181
	<u>665,409</u>	<u>728,816</u>	<u>799,311</u>
<b>FACILITY SERVICES</b>			
Cable television	8,388	7,218	8,329
Contracted services	-	895	-
Electricity	116,900	109,915	120,415
Insurance	32,820	32,820	24,294
Landscaping and snow removal	36,000	35,163	34,708
Oil	1,200	-	-
Pest control	1,200	1,223	1,112
Propane gas	24,000	35,802	21,905
Property taxes	60,000	64,711	60,858
Repairs and maintenance	104,153	52,242	137,441
Salaries and benefits	114,219	111,358	128,686
Supplies	14,420	9,603	10,838
	<u>513,300</u>	<u>460,950</u>	<u>548,586</u>
<b>PROGRAM SERVICES</b>			
Consulting	19,198	8,749	19,200
Contracted services	39,120	24,173	39,536
Employee development	-	450	-
Salaries and benefits	241,212	308,210	266,472
Supplies	7,200	6,540	7,492
Travel	6,480	-	-
	<u>313,210</u>	<u>348,122</u>	<u>332,700</u>
<b>COMMERCIAL SERVICES</b>			
Bus	-	3,292	4,895
Commercial services	-	20,118	18,178
	<u>-</u>	<u>23,410</u>	<u>23,073</u>