

Financial Statements of

**MANITOBA BAPTIST HOME  
SOCIETY INC.**

And Independent Auditors' Report thereon

Year ended March 31, 2020



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Page 1

## INDEPENDENT AUDITORS' REPORT

To the Members of Manitoba Baptist Home Society Inc.

### **Opinion**

We have audited the accompanying financial statements of Manitoba Baptist Home Society Inc. (the "Entity"), which comprise the statement of financial position as at March 31, 2020, the statements of operations and 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 (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of 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 auditors' report.

We are independent of the Entity 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.

### **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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Winnipeg, Canada

June 9, 2020

**MANITOBA BAPTIST HOME SOCIETY INC.**

## Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
<b>Assets</b>		
Current assets:		
Cash	\$ 214,102	\$ 224,181
Accounts receivable (note 3)	47,534	48,492
Due from Winnipeg Regional Health Authority (note 5)	463,336	532,711
Inventories	27,300	28,300
Prepaid expenses	14,935	20,696
	<u>767,207</u>	<u>854,380</u>
Long-term investments (note 4)	1,951,080	1,937,937
Due from Winnipeg Regional Health Authority (note 5)	218,197	206,387
Capital assets (note 6)	2,695,600	2,858,107
	<u>\$ 5,632,084</u>	<u>\$ 5,856,811</u>

**Liabilities, Deferred Contributions and Net Assets**

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 969,518	\$ 1,022,712
Current portion of long-term debt (note 8)	225,925	207,654
	<u>1,195,443</u>	<u>1,230,366</u>
Long-term debt (note 8)	1,154,206	1,380,148
Accrued pre-retirement entitlement (note 10)	220,219	208,409
Deferred contributions (note 9):		
Expenses of future periods	188,153	193,227
Capital assets	1,043,811	1,079,260
	<u>1,231,964</u>	<u>1,272,487</u>
Net assets:		
Unrestricted	1,830,252	1,765,401
Contingency (note 10)		
Subsequent event (note 13)		
	<u>\$ 5,632,084</u>	<u>\$ 5,856,811</u>

See accompanying notes to financial statements.

On behalf of the Board:

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Director

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Director

# MANITOBA BAPTIST HOME SOCIETY INC.

## Statement of Operations and Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Personal Care Home (schedule A)	\$ 6,793,055	\$ 6,613,706
Elderly Person Housing (schedule B)	604,315	623,073
Chaplaincy Program (schedule C)	102,153	97,905
Donation Fund (schedule D)	3,266	5,849
	<u>7,502,789</u>	<u>7,340,533</u>
Expenditures:		
Personal Care Home (schedule A)	6,781,408	6,461,326
Elderly Person Housing (schedule B)	556,080	562,065
Chaplaincy Program (schedule C)	100,450	97,905
	<u>7,437,938</u>	<u>7,121,296</u>
Excess of revenue over expenditures	64,851	219,237
Unrestricted net assets, beginning of year	1,765,401	1,546,164
Unrestricted net assets, end of year	<u>\$ 1,830,252</u>	<u>\$ 1,765,401</u>

See accompanying notes to financial statements.

# MANITOBA BAPTIST HOME SOCIETY INC.

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Operating activities:		
Excess of revenue over expenditures	\$ 64,851	\$ 219,237
Items not involving cash:		
Amortization of capital assets	322,181	299,439
Amortization of deferred contributions related to capital assets	(235,750)	(207,387)
Change in the following:		
Accounts receivable	958	12,609
Due from Winnipeg Regional Health Authority	69,375	(65,981)
Inventories	1,000	10,100
Prepaid expenses	5,761	(2,452)
Accounts payable and accrued liabilities	(53,194)	122,119
Net decrease in deferred contributions related to expenses of future periods	(5,074)	(25,301)
	170,108	362,383
Financing activities:		
Increase in deferred contributions related to capital assets	200,302	316,882
Repayment of long-term debt	(207,671)	(197,161)
	(7,369)	119,721
Investing activities:		
Purchase of capital assets	(159,675)	(293,369)
Change in investments, net	(13,143)	(414,484)
	(172,818)	(707,853)
Decrease in cash	(10,079)	(225,749)
Cash, beginning of year	224,181	449,930
Cash, end of year	\$ 214,102	\$ 224,181

See accompanying notes to financial statements.

# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements

Year ended March 31, 2020

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## 1. General:

The Manitoba Baptist Home Society Inc. (the "Corporation") operates Meadowood Manor, which is a personal care home and an elderly person's housing complex. The Corporation provides care and shelter to the elderly and infirm. The Corporation is a registered charity under the *Canadian Income Tax Act*.

## 2. Significant accounting policies:

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

### (a) Basis of presentation:

The financial statements of the Corporation include the assets, liabilities, operations and net assets of four programs. The revenue and expenditures of each program are reflected within the schedules to the financial statements as follows:

- Schedule A: The Meadowood Manor Personal Care Home (PCH) accounts for the operations of the Corporation's 88-bed personal care home.
- Schedule B: The Meadowood Manor Elderly Person Housing (EPH) accounts for the operations of the Corporation's 89-unit apartment complex.
- Schedule C: The Meadowood Manor Chaplaincy Program accounts for the operations of the chaplaincy ministry and the Meadowood Manor Corporation Fellowship.
- Schedule D: The Meadowood Manor Donation Fund accounts for donations received by the Corporation for charitable programs authorized by the Board of Directors.

### (b) Change in accounting policies:

Effective April 1, 2019, the Corporation adopted the new Handbook section, Section 4433, *Tangible capital assets held by not-for-profit organizations*, which directs organizations to apply the accounting guidance of Section 3061, *Property, Plant and Equipment*, in Part II of the Handbook.

# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 2. Significant accounting policies (continued):

In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components. This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at April 1, 2019.

There was no impact to the financial statements of the Corporation from adoption of this accounting standard.

### (c) Revenue recognition:

The Corporation follows the deferral method of accounting for contributions, which include government grants and donations.

The Corporation is funded primarily by the Winnipeg Regional Health Authority (WRHA) in accordance with a Service Purchase Agreement (SPA). Operating grants are recorded as revenue in the period to which they relate.

In accordance with the terms and conditions of the SPA, the operating surplus the Corporation may retain is the greater of 50 percent of the operating surplus and 2 percent of the global budget as provided by WRHA, in any fiscal year. The remaining operating surplus of the Corporation in any fiscal year is repayable to the WRHA. Annual operating deficits are the responsibility of the Corporation.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

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

Revenue from the residential services (rent, housing, residential charges) and marketed services is recognized when the goods are sold or the service is provided.



# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 2. Significant accounting policies (continued):

### (d) Inventories:

Inventories are carried at the lower of cost and net realizable value cost being determined on a first-in, first-out basis.

### (e) Employee future benefits:

The cost of the Corporation's employee future pre-retirement benefits is accrued as earned based on an actuarial estimation. The estimation of future pre-retirement benefits has been performed using the projected unit credit service pro-rated on service actuarial cost method.

The significant actuarial assumptions adopted in measuring the Corporation's employee future pre-retirement benefits include mortality and withdrawal rates, a discount rate of 3.5 percent (2019 - 3.00 percent) and a rate of salary increase of 0.75 percent to March 2021, 1.00 percent to March 2022 and 3.50 percent thereafter (2019 - nil percent to March 2020, 0.75 percent to March 2021, 1.00 percent to March 2022 and 3.50 percent thereafter) plus an age-related merit/promotion scale.

### (f) Contributed services:

Volunteers are an integral part of the activities of the Corporation. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

### (g) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Construction-in-progress is recorded at cost and amortization commences on substantial completion of the project.

Capital assets are amortized using the straight-line method using the following rates unless otherwise noted:

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Building - EPH	50 years
Building - PCH	40 years
Building improvements and renovations	10 years
Building service equipment	20 years
Computer hardware and software	3 years
Furniture and equipment	5 to 10 years

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# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 2. Significant accounting policies (continued):

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When circumstances indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

### (h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Corporation has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Unrealized gains and losses on investments, representing the change in difference between the fair value and the cost of investments at the beginning and end of each year is reflected in investment income in the statement of operations. Fair value of investments is determined based on period end quoted market prices.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 2. Significant accounting policies (continued):

### (i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and employee future benefits. Actual results could differ from those estimates.

## 3. Accounts receivable:

	2020	2019
Receivable from residents and tenants	\$ —	\$ 895
Goods and services tax receivable	7,277	11,827
Receivable from Meadowood Manor Foundation Inc. (note 11)	36,107	32,346
Other accounts receivable	4,150	3,424
	<b>\$ 47,534</b>	<b>\$ 48,492</b>

## 4. Long-term investments:

	2020	2019
Cash	\$ 40	\$ 40
Corporate mutual funds, at fair value	1,951,040	1,937,897
	<b>\$ 1,951,080</b>	<b>\$ 1,937,937</b>

**MANITOBA BAPTIST HOME SOCIETY INC.**

Notes to Financial Statements (continued)

Year ended March 31, 2020

**5. Due from Winnipeg Regional Health Authority:**

	2020	2019
Current:		
Net year-end funding receivable (2013/2014 to 2019/20)	\$ 234,728	\$ 304,103
Vacation entitlement receivable (note 10)	228,608	228,608
Long-term:		
Pre-retirement entitlement receivable (note 10)	218,197	206,387
	<b>\$ 681,533</b>	<b>\$ 739,098</b>

**6. Capital assets:**

	2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value
PCH:				
Land	\$ 150,000	\$ –	\$ 150,000	\$ 150,000
Buildings	3,899,271	2,809,097	1,090,174	1,192,967
Computer hardware and software	154,674	45,588	109,086	16,638
Furniture and equipment	1,605,648	934,254	671,394	687,992
Construction-in-progress	14,836	–	14,836	78,066
EPH:				
Land	90,000	–	90,000	90,000
Buildings	1,863,193	1,491,577	371,616	427,019
Elevator	182,792	102,335	80,457	87,771
Furniture and equipment	592,173	474,136	118,037	127,654
	<b>\$ 8,552,587</b>	<b>\$ 5,856,987</b>	<b>\$ 2,695,600</b>	<b>\$ 2,858,107</b>

# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at March 31, 2020 are government remittances payable of \$8,287 (2019 - \$10,738) relating to federal sales taxes and payroll and health taxes.

## 8. Long-term debt:

	2020	2019
CMHC, bearing interest at 10%, repayable in monthly blended instalments of \$11,719, secured by a first mortgage on the Personal Care Home building, maturing in February 2028	\$ 801,417	\$ 866,726
Bank of Montreal, bearing interest at 3.45%, repayable in monthly blended instalments of \$13,752, secured by a first mortgage on the Elderly Persons Housing building, maturing in December 2023	578,714	721,076
	<u>1,380,131</u>	<u>1,587,802</u>
Current portion of long-term debt	225,925	207,654
	<u>\$ 1,154,206</u>	<u>\$ 1,380,148</u>

Principal repayments required over the next five years and thereafter are as follows:

2021	\$ 225,925
2022	238,766
2023	252,128
2024	225,511
2025	114,345
Thereafter	323,456
	<u>\$ 1,380,131</u>

The interest on long-term debt expense of \$74,890 (2019 - \$84,015) is the net expense after receiving annual interest subsidies totaling \$26,267 (2019 - \$26,267) from CMHC as provided for in the mortgage over the term of the agreement.

**MANITOBA BAPTIST HOME SOCIETY INC.**

Notes to Financial Statements (continued)

Year ended March 31, 2020

**9. Deferred contributions:**

(a) Related to expenses of future periods:

	2020	2019
Balance, beginning of year	\$ 193,227	\$ 218,528
Contributions	14,320	11,320
Transfer to deferred contributions - capital assets	(8,302)	(16,610)
Amounts recognized as revenue in the year	(14,886)	(26,404)
Investment income	3,794	6,393
<b>Balance, end of year</b>	<b>\$ 188,153</b>	<b>\$ 193,227</b>

	2020	2019
Balances:		
Reserve for major repairs - PCH	\$ 98,367	\$ 91,371
Reserve for equipment replacement - PCH	70,826	83,896
Reserve for insurance deductible	18,960	17,960
	<b>\$ 188,153</b>	<b>\$ 193,227</b>

(b) Related to capital assets:

	2020	2019
Balance, beginning of year	\$ 1,079,260	\$ 969,765
WRHA - loan principal	61,636	55,906
Contributions (note 11)	130,363	244,366
Transfer from deferred contributions - reserve for equipment replacement - PCH	8,302	16,610
Less amounts recognized as revenue in the year	(235,750)	(207,387)
<b>Balance, end of year</b>	<b>\$ 1,043,811</b>	<b>\$ 1,079,260</b>

# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 10. Employee future benefits and employee benefits:

### (a) Pre-retirement benefits:

The Corporation participates in an employee future pre-retirement benefits plan for substantially all of its employees. The plan provides benefit payments to eligible retirees based on length of service and on career earnings from initial eligibility.

Information about the Corporation's pre-retirement benefits plan is as follows:

	2020	2019
Accrued benefit obligation:		
Balance, beginning of year	\$ 208,409	\$ 386,656
Current benefit cost	23,876	32,167
Interest	6,969	13,612
Amortized actuarial loss	(6,877)	(202,657)
Benefits paid	(12,158)	(21,369)
<b>Liability for benefits</b>	<b>\$ 220,219</b>	<b>\$ 208,409</b>

The Corporation measured the pre-retirement benefit liability at March 31, 2020 using an extrapolation of the most recently completed actuarial valuation as of December 31, 2014. The significant actuarial assumptions adopted in measuring the accrued pre-retirement entitlements include mortality and withdrawal rate, a discount rate of 3.50 percent (2019 - 3.00 percent) and a rate of salary increase of 0.75 percent to March 2021, 1.00 percent to March 2022 and 3.50 percent thereafter (2019 - nil percent to March 2020, 0.75 percent to March 2021, 1.00 percent to March 2022 and 3.50 percent thereafter) plus an age-related merit/promotion scale. Actual payments made during the year for the Corporation's pre-retirement entitlements were \$12,158 (2019 - \$21,369).

The amount of funding which will be provided by the WRHA for future entitlement benefits was initially determined based on the future pre-retirement benefits payable at March 31, 2004, and was recorded as amounts recoverable from the WRHA and also includes the incremental increases in the related liability for fiscal 2007 to 2020 which includes an interest component. The future employee benefits recoverable from the WRHA of \$218,197 (2019 - \$206,387) at March 31, 2020 have no specified terms of repayment.

### (b) Vacation pay:

Each year, the WRHA funds a portion of the vacation pay liability of the Corporation, which is limited to the amount established at March 31, 2004, of \$228,608. This amount is included in due from WRHA on the statement of financial position.

# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 10. Employee future benefits and employee benefits (continued):

### (c) Multi-employer defined benefit pension plan:

Substantially all of the employees of the Corporation are members of Healthcare Employees' Pension Plan - Manitoba (the "Plan") which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the best five years of the last ten years that provide the highest earnings, prior to retirement, termination or death.

Contributions to the Plan made during the year by the Corporation on behalf of its employees amounted to \$325,393 (2019 - \$296,615). The most recent actuarial valuation of the Plan as at December 31, 2018, reported the Plan had a surplus of actuarial value of net assets over actuarial present value of accrued pension obligations and a solvency deficiency. Based on a solvency exemption granted to the Plan, the Plan is not required to fund on a solvency basis but is required to fund on a going concern basis. A going concern deficiency, if any, will be funded by special payments out of current contributions. Any contribution deficiencies in the plan would be addressed through pension benefit reductions or contribution rate increases from the participating members. Employer contribution rates are 8.9 percent of pensionable earnings up to the yearly maximum pensionable earnings limit (YMPE) and 10.5 percent on earnings in excess of YMPE.

## 11. Related party transactions:

During the year, the Corporation received a grant of \$102,153 (2019 - \$97,905) from Meadowood Manor Foundation, Inc. (the "Foundation") for the Chaplaincy Program. The Corporation has an economic interest in the Foundation.

During the year, the Foundation contributed \$32,930 (2019 - \$34,945) to fund the purchase of equipment.

At March 31, 2020, the Foundation owes the Corporation \$36,107 (2019 - \$32,346) which is included in accounts receivable. The receivable is non-interest bearing, with no fixed terms of repayment and is unsecured.

These 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.



# MANITOBA BAPTIST HOME SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 12. Financial risks:

The Corporation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Corporation to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to credit risk with respect to accounts receivable, due from Winnipeg Regional Health Authority and investments.

There has been no change to the above noted risk exposures from 2019.

## 13. Subsequent event:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Corporation has experienced restricted access to the Personal Care Home and Elderly Person Housing facilities to the public including visitors commencing in March 2020 based on public health recommendations, temporary declines in the fair value of investments and investment income and mandatory working from home requirements for those able to do so as a result of the COVID-19 pandemic. Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed as at year end. Management completed this assessment and did not identify such adjustments. At this time, there are also other factors which present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect of these items is not practicable at this time.

# MANITOBA BAPTIST HOME SOCIETY INC.

Schedule A - Meadowood Manor Personal Care Home Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
<b>Revenue:</b>		
Winnipeg Regional Health Authority	\$ 4,554,289	\$ 4,384,483
Residential charges	1,826,753	1,787,631
Amortization of deferred contributions (note 9)	234,568	205,023
Recoveries - dietary	36,807	40,593
Investment income	4,376	25,814
Other income	132,590	166,490
Mortgage contribution earned	3,672	3,672
	<u>6,793,055</u>	<u>6,613,706</u>
<b>Expenditures:</b>		
Amortization of capital assets	234,569	216,348
Employee benefits	780,041	745,419
Food	279,125	264,815
Health and education levy	86,493	87,263
Insurance	21,199	22,809
Interest on long-term debt (note 8)	52,223	58,095
Maintenance	144,764	136,459
Medical remuneration	14,876	14,876
Municipal taxes	36,060	35,339
Medical supplies	108,817	109,483
Operational expenses	173,539	184,411
Pre-retirement benefits	12,157	21,369
Pre-retirement benefits - value change	11,809	(178,247)
Professional fees	10,930	11,527
Purchased services	560,192	518,537
Resident travel	10,468	12,871
Salaries	4,043,825	4,008,919
Utilities	200,321	191,033
	<u>6,781,408</u>	<u>6,461,326</u>
<b>Excess of revenue over expenditures</b>	<u>\$ 11,647</u>	<u>\$ 152,380</u>

**MANITOBA BAPTIST HOME SOCIETY INC.**

## Schedule B - Meadowood Manor Elderly Persons Housing Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
<b>Revenue:</b>		
Income from housing	\$ 581,371	\$ 565,833
Income from rentals	11,949	9,766
Investment income	3,214	27,331
Miscellaneous	6,599	17,779
Amortization of deferred contributions (note 9)	1,182	2,364
	<u>604,315</u>	<u>623,073</u>
<b>Expenditures:</b>		
Amortization of capital assets	87,612	83,091
Employee benefits	18,774	18,065
Insurance	15,897	16,392
Interest on long-term debt (note 8)	22,667	25,920
Maintenance	78,169	107,419
Health and education levy	2,197	1,903
Operational expenses	3,943	3,530
Professional fees	2,000	2,352
Property taxes	36,060	35,339
Salaries	194,809	169,784
Utilities	93,952	98,270
	<u>556,080</u>	<u>562,065</u>
<b>Excess of revenue over expenditures</b>	<b>\$ 48,235</b>	<b>\$ 61,008</b>

**MANITOBA BAPTIST HOME SOCIETY INC.**

## Schedule C - Meadowood Manor Chaplaincy Program Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Grant - Meadowood Manor Foundation Inc. (note 11)	\$ 102,153	\$ 97,905
Expenditures:		
Employee benefits	5,565	3,288
Health and education levy	1,844	1,604
Operational expenses	2,490	2,285
Equipment	1,938	14,602
Purchased services	1,910	1,211
Travel	351	327
Salaries	86,352	74,588
	100,450	97,905
<b>Excess of revenue over expenditures</b>	<b>\$ 1,703</b>	<b>\$ -</b>

**MANITOBA BAPTIST HOME SOCIETY INC.**

## Schedule D - Meadowood Manor Donation Fund Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020		2019
Revenue:			
Investment income	\$ 3,266	\$	5,849
Excess of revenue over expenditures	\$ 3,266	\$	5,849