Park Manor Care Inc.

Financial Statements
March 31, 2020

Independent auditor's report

To the Board of Directors of Park Manor Care Inc.

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, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited
The Organization's financial statements comprise:

- the statement of financial position as at March 31, 2020;
- 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 a summary of significant accounting policies.

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.

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 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.

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 18, 2020

Park Manor Care Inc.
Statement of Financial Position
As at March 31, 2020

	Operating Fund $	Restricted Capital Fund $	Restricted Development Fund $	2020 Total $	2019 Total $
ASSETS					
Current Assets					
Cash	88,725	24,010	-	112,735	23,564
Investments - Short-term (note 3)	-	-	1,091,075	1,091,075	1,280,036
Receivable from WRHA (note 4)	272,816	-	-	272,816	337,803
Accounts Receivable Other (note 5)	48,093	-	-	48,093	52,006
Accounts Receivable Residents (note 5)	10,772	-		10,772	25,959
Inventories & Prepaid Expenses (note 6)	42,709	-	-	42,709	51,029
Due from Related Parties (note 7)	28,826	-	-	28,826	15,241
Due from (to) Other Funds	161,940	(106,027)	(55,913)	-	-
Total Current Assets	653,881	(82,017)	1,035,162	1,607,026	1,785,638
Non-Current Assets					
Receivable from WRHA (note 4)	967,930	-	-	967,930	947,937
Capital Assets (note 8)	-	1,787,879	-	1,787,879	1,372,462
Investments - Long-term (note 3)	-	-	869,759	869,759	995,787
Total Non-Current Assets	967,930	1,787,879	869,759	3,625,568	3,316,186
Total Assets	1,621,811	1,705,862	1,904,921	5,232,594	5,101,824
LIABILITIES & FUND BALANCES					
Current Liabilities					
Bank Indebtedness (note 11)	-	-	-	-	20,663
Wages & Benefits Payable (note 9)	226,917	-	-	226,917	193,372
Vacation & Statutory Holidays Payable	411,653	-	-	411,653	413,021
Accounts Payable to WRHA	-	-	-	-	1,382
Accounts Payable & Accruals (note 10)	108,053	-	-	108,053	154,516
Resident Trust & Fees Payable (note 10)	30,884	-	-	30,884	37,930
Total Current Liabilities	777,507	-	-	777,507	820,884
Non-Current Liabilities					
Asset Retirement Obligations (note 18)	-	193,000	-	193,000	-
Pre-retirement Leave	805,203	-	-	805,203	785,210
Deferred Contributions (note 14)	6,087	994,578	53,880	1,054,545	952,596
Total Non-Current Liabilities	811,290	1,187,578	53,880	2,052,748	1,737,806
Total Liabilities	1,588,797	1,187,578	53,880	2,830,255	2,558,690
Fund Balances					
Unrestricted	33,014	-	246,372	279,386	127,969
Invested in Capital Assets	-	435,131	-	435,131	437,197
Restricted	-	83,153	1,604,669	1,687,822	1,977,968
Total Fund Balances	33,014	518,284	1,851,041	2,402,339	2,543,134
Total Liabilities & Fund Balances	1,621,811	1,705,862	1,904,921	5,232,594	5,101,824

Approved by the Board of Directors

Original Document Signed
Director

Original Document Signed
Director

Park Manor Care Inc.
Statement of Operations and Changes in Fund Balances
Year Ended March 31, 2020

		Restricted			
	Operating	Capital	Development	2020	2019
REVENUES	**Fund $**	**Fund $**	**Fund $**	**Total $**	**Total $**
Winnipeg Regional Health Authority (note 15)	5,050,093	-	-	5,050,093	5,115,569
Residential Charges	2,020,069	-	-	2,020,069	1,947,473
Accrued Future Employee Benefits (note 12)	19,993	-	-	19,993	(9,560)
Pre-retirement Leave (note 13)	56,033	-	-	56,033	11,574
Amortization of Deferred Contributions (note 14)	80	158,884	-	158,964	212,489
Department Recoveries	133,884	-	-	133,884	134,366
Food Service Recoveries	43,985	-	-	43,985	59,125
Adventist Care Foundation - Grants	50,000	-	-	50,000	50,000
Interest Income	-	-	61,941	61,941	59,226
Donations	-	-	25,650	25,650	9,323
Other Revenue	16,971	-	20,498	37,469	361,017
Total Revenues	7,391,108	158,884	108,089	7,658,081	7,950,602
EXPENSES					
Salaries and Wages	5,313,196	-	-	5,313,196	5,362,951
Employee Benefits (note 16)	937,724	-	-	937,724	944,355
Accrued Future Employee Benefits (note 12)	19,993	-	-	19,993	(9,560)
Pre-retirement Leave	56,033	-	-	56,033	11,574
Health and Education Tax	114,889	-	-	114,889	114,855
Administration	124,391	-	-	124,391	103,243
Resident Care and Supports	185,720	-	-	185,720	176,018
Food Services	335,520	-	-	335,520	255,127
Environmental Services	36,673	-	-	36,673	39,805
Physical Plant	177,961	-	-	177,961	150,996
Utilities	191,232	-	-	191,232	190,920
Amortization	-	240,417	-	240,417	247,163
Interest on Long-term Debt	-	-	-	-	6,232
Other Expenses	-	-	71,909	71,909	356,670
Total Expenses	7,493,332	240,417	71,909	7,805,658	7,950,349
Excess (Deficiency) Rev over Exp Before Programs	(102,224)	(81,533)	36,180	(147,577)	253
Programs					
Adult Day Program (schedule 1)	(2,916)	(487)	-	(3,403)	(18,948)
SSGL Program (schedule 2)	10,185	-	-	10,185	5,109
Excess (Deficiency) of Revenues over Expenses	(94,955)	(82,020)	36,180	(140,795)	(13,586)
Fund Balances - Beginning of Year	127,969	567,120	1,848,045	2,543,134	2,556,720
Interfund Transfer (note 2)	-	33,184	(33,184)	-	-
Fund Balances - End of Year	33,014	518,284	1,851,041	2,402,339	2,543,134

Park Manor Care Inc.

Statement of Cash Flows

Year Ended March 31, 2020

CASH PROVIDED BY (USED IN)	2020 Total $	2019 Total $
Operating Activities		
Deficiency of Revenue over Expenses	(140,795)	(13,586)
Amortization	242,768	249,513
Amortization of Deferred Contributions	(158,964)	(212,489)
Decrease in Accounts Receivable	84,087	269,447
(Increase) Decrease in Inventory & Prepaids	8,320	(8,516)
Increase (Decrease) in Accounts Payable	(22,714)	89,649
Increase in Accrued Interest on Investments	(6,426)	(27,954)
Unrealized (gain) loss on Investments	32,403	(4,263)
Net Cash Provided by (used in) Operating	38,679	341,801
Investing Activities		
Increase in Capital Assets	(465,185)	(320,069)
Purchase of Investments	(3,402,129)	(3,390,170)
Disposals of Investments	3,691,141	2,924,473
Net Cash Provided by (used in) Investing	(176,173)	(785,766)
Financing Activities		
Increase in Due to Related Party	(13,585)	(6,404)
Increase in Deferred Contributions	260,913	279,406
Net Cash Provided by (used in) Financing	247,328	273,002
Increase (Decrease) in Cash During the Year	109,834	(170,963)
Cash - Beginning of Year	2,901	173,864
Cash - End of Year	112,735	2,901

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 (GICs) and Money Market Funds (MMFs) maturing within the next fiscal year and include related accrued interest.

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

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.

Interfund Transfer

The Park Manor Care 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.

Contributed Services

Volunteers at the Organization contributed approximately 7,719 (2019 - 9,215) hours of service in various activities. 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 instuments 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 the 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 Long-term Debt 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.

3. Investments

Short-term Investments	**2020 Total $**	**2019 Total $**
GIC, non-redeemable, earning interest at 2.40%, maturing Apr 2019	-	300,000
GIC, non-redeemable, earning interest at 2.25%, maturing May 2019	-	100,000
GIC, non-redeemable, earning interest at 2.00%, maturing May 2019	-	100,000
GIC, non-redeemable, earning interest at 2.00%, maturing May 2019	-	100,000
GIC, non-redeemable, earning interest at 2.15%, maturing May 2019	-	100,000
GIC, non-redeemable, earning interest at 2.26%, maturing Sep 2019	-	100,000
GIC, non-redeemable, earning interest at 2.25%, maturing Sep 2019	-	50,000
GIC, non-redeemable, earning interest at 2.55% maturing Nov 2019	-	100,000
GIC, non-redeemable, earning interest at 2.46%, maturing Jun 2020	100,000	-
GIC, non-redeemable, earning interest at 2.10%, maturing June 2020	225,000	-
GIC, non-redeemable, earning interest at 2.50%, maturing June 2020	100,000	-
GIC, non-redeemable, earning interest at 2.60%, maturing Sept 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	-
Money Market Fund earning interest at 1.7% and Investment Cash	120,084	309,096
Accrued Interest	20,991	20,940
Total Short-term Investments	1,091,075	1,280,036

Long-term Investments		
GIC, non-redeemable, earning interest at 2.46%, maturing Jun 2020	-	100,000
GIC, non-redeemable, earning interest at 2.50%, maturing Jun 2020	-	100,000
GIC, non-redeemable, earning interest at 2.60%, maturing Sept 2020	-	100,000
GIC, non-redeemable, earning interest at 2.85%, maturing Nov 2020	-	100,000
GIC, non-redeemable, earning interest at 2.75%, maturing Jan 2021	-	100,000
GIC, non-redeemable, earning interest at 2.70%, maturing Jun 2021	100,000	100,000
GIC, non-redeemable, earning interest at 3.05%, maturing Jun 2021	100,000	100,000
GIC, non-redeemable, earning interest at 2.70%, maturing Jun 2021	100,000	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	-
iSHARES Exchange Traded Fund - Capped Financials Index	100,434	100,434
Equal Weight Banks Index Exchange Traded Fund	80,133	80,133
Accrued Interest	19,616	13,241
Unrealized Gains (Losses)	(30,424)	1,979
Total Long-term Investments	869,759	995,787
Total Investments	1,960,834	2,275,823

4. Receivable from Winnipeg Regional Health Authority (WRHA)

Receivable Type	**2020 Total $**	**2019 Total $**
Operating, Capital and Pre-retirment Leave Funding from 2014-2019	272,816	337,803
Pre-retirement Leave & Vacation Pay Liability (note 13)	967,930	947,937
Total Receivable from WRHA	1,240,746	1,285,740

5. Accounts Receivable

Accounts Receivable Other	2020 Total $	2019 Total $
GST Rebate	39,037	45,689
Employees	436	44
Other	8,620	6,273
Total Accounts Receivable Other	48,093	52,006
Accounts Receivable Residents		
Resident Fees	10,079	18,541
Resident Trust	6,987	10,112
Sub-total Accounts Receivable Residents	17,066	28,653
Less: Allowance for Bad Debts	6,294	2,694
Total Accounts Receivable Residents	10,772	25,959
Total Accounts Receivable	58,865	77,965

6. Inventories & Prepaid Expenses

Inventories	2020 Total $	2019 Total $
Resident Care Supplies	8,211	10,213
Food Services Food	8,958	11,559
Food Services Supplies	1,384	2,102
Housekeeping Supplies	3,312	3,785
Linen Supplies	1,874	3,217
Office Supplies	1,749	1,199
Total Inventories	25,488	32,075
Prepaid Expenses		
Insurance	5,249	4,521
WCB	7,789	8,363
Other	4,183	6,070
Total Prepaid Expenses	17,221	18,954
Total Inventories & Prepaid Expenses	42,709	51,029

7. Due from (to) Related Parties

Related Parties	2020 Total $	2019 Total $
Adventist Care Foundation Inc.	10,000	17,000
East Park Lodge Inc.	18,826	(1,759)
Total Due from Related Parties	28,826	15,241

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 $25,450 (2019 - $24,000) in management fees, $28,800 (2019 - $26,400) in maintenance fees and $20,400 (2019 - $19,200) in housekeeping fees to the Organization.

During the year the Adventist Care Foundation Inc. paid grants to the Organization for Consultants totalling $50,000 (2019-$50,000).

During 2019, the Organization paid a one-time grant of $328,500 to the Adventist Care Foundation relating to recovery of expenses for development.

8. Capital Assets

Asset Class	Cost $	Accumulated Amortization $	2020 Total $	2019 Total $
Land	160,829	-	160,829	160,829
Buildings and Improvements	4,243,586	3,165,750	1,077,836	590,278
Computer Equipment	83,818	71,054	12,764	20,881
Equipment and Furniture	1,521,868	987,020	534,848	584,195
Construction in Progress	1,602	-	1,602	16,279
Total Capital Assets	6,011,703	4,223,824	1,787,879	1,372,462

9. Wages and Benefits Payable

Wages and Benefits Category	2020 Total $	2019 Total $
Salaries, Wages and other related	126,791	143,012
Healthcare Employees Pension Plan	66,420	26,996
Healthcare Employees Benefits Plan	33,706	23,364
Total Wages and Benefits Payable	226,917	193,372

Included in total wages and benefits payable as at March 31, 2020 is payable to government of $15,391 (2019 - $8,933) of payroll deductions owing. 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 21, 2020.

10. Accounts Payable

Accounts Payable & Accruals	2020 Total $	2019 Total $
Trade Payables & Others	61,726	112,425
Professional Fees	15,700	6,305
Employee Benefits	4,985	4,357
Property Taxes, Utilities & Others	25,642	31,429
Total Accounts Payable & Accruals	108,053	154,516
Resident Trust & Fees Payable		
Resident Trust	4,380	4,488
Resident Charges Trust2	1,289	-
Resident Fees	25,215	33,442
Total Resident Trust & Fees Payable	30,884	37,930
Total Accounts Payable	138,937	192,446

11. Operating Credit

The Organization has an available line of operating credit with CIBC to a maximum of $50,000 (2019 - $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 2020 (2019 - 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 2019-2020.

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

Fiscal Year	Future Liability $	Accounts Receivable $
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

For the March 31, 2020 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 $19,993 (2019 - reduced by $9,560).

Total of Pre-retirement and Vacation Pay Accounts Receivable for 2020 is $967,930 (2019 - $947,937).

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 Park Manor Care to the employee upon retirement and fully funded by the WRHA.

14. Deferred Contributions

Deferrred Contribution Sources	Operating	Capital	Development	2020 Total $	2019 Total $
Balance - Beginning of Year	5,167	893,549	53,880	952,596	885,679
WRHA - Basic Equipment Funding	-	17,500	-	17,500	17,500
WRHA - Other Equipment Funding	-	238,111	-	238,111	256,604
WRHA - Major Repairs Funding	-	4,302	-	4,302	4,302
WRHA - Insurance Deductible	1,000	-	-	1,000	1,000
Total Deferred Contributions Available	6,167	1,153,462	53,880	1,213,509	1,165,085
Recognized as Revenue during the Year	80	158,884	-	158,964	212,489
Balance - End of Year	6,087	994,578	53,880	1,054,545	952,596

15. WRHA Operating Funding

Funding Category	2020 Total $	2019 Total $
Baseline Operating	4,763,219	4,763,067
Supplemental	209,025	209,025
Accrued Wage Adjustments	25,210	24,037
HEB/HEPP/Blue Cross Benefits	21,216	25,901
Medical Administration	14,876	14,876
Staff Training & Influenza Vaccine	665	8,766
Constant Care	-	2,397
Total WRHA Operating Funding	5,034,211	5,048,069
Resident Fees Year End Adjustment	15,882	61,268
Net WRHA Operating Funding	5,050,093	5,109,337

16. Employee Benefit Contributions

Benefit Category	2020 Total $	2019 Total $
Canada Pension Plan	228,782	218,458
HEPP Pension Plan (note 17)	377,272	365,743
Employment Insurance	110,690	113,640
Workers Compensation Board	33,951	52,123
Disability and Rehabilitation Plan	59,151	59,148
Extended Health Plan	41,695	42,017
Dental Plan	50,310	52,969
Group Life Plan	10,159	9,855
Healthcare Spending Account	21,216	25,901
Employment Assistance Plan	4,498	4,501
Total Employer Contributions - PCH Program	937,724	944,355

17. Pension Plan

The Organization participates in the Health Employees' Pension Plan which is a multi-employer defined benefit pension plan available to all eligible 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 $377,272 (2019 - $365,743).

18. Asset Retirement Obligations

Asset retirement obligations were estimated by management based on estimated costs to remove asbestos within the building, as identified by the WHRA. The Organization is legally required to dismantle and remove the asbestos at the end of the building's remaining useful life, estimated to be 20 years.

The Organization has estimated the net present value of its total asset retirement obligation to be $193,000 as at March 31, 2020 (nil as at March 31, 2019). A corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the building. No depreciation or accretion has been recorded during the year.

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 forseeable future.

In March 2020, the novel strain of coronavirus (COVID-19) was declared a pandemic by the World Health Organization. The spread of COVID-19 has severely impacted many local economies around the globe, and global stock markets have experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization has continued to operate throughout the pandemic as an essential service. Additional costs have been incurred due to enhanced cleaning and sanitation, additional workers for screening of employees, and other related costs in managing COVID-19, and ongoing discussions are being held to discuss the funding for such costs.

At March 31, 2020, the Organization recognized an unrealized loss on its investments of $30,424 due to the related decline of investments. The risk of loss on investments is mitigated by the fact that $1,770,084 of the Organization's investment balance of $1,950,651 are invested in GICs and money market funds. There were no indicators of impairments for any other long-lived assets. The Organization continues to receive funding from the WRHA, however, given the high level of uncertainty surrounding the duration of the pandemic, it is not possible to reasonably estimate the potential impact on the liquidity, financial condition and operations of the Organization.

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 69.3% (2019 - 69.6%).

21. Comparative Amounts

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.

Park Manor Care Inc.

Schedule 1 - Adult Day Program

Year Ended March 31, 2020

OPERATING REVENUES AND EXPENSES

	2020	2019
REVENUES	**Total $**	**Total $**
Winnipeg Regional Health Authority (WRHA)	150,896	139,749
Participant Fees	24,952	23,669
Other Revenue	2,975	3,101
Total Revenues	178,823	166,519
EXPENSES		
Salaries and Wages	75,553	76,149
Employee Benefits	12,968	13,738
Health and Education Tax	1,618	1,635
Participant Travel	73,383	74,622
Participant Meals	9,449	9,108
Program Expense	2,401	3,018
Administrative Expense	1,367	1,711
Management Fees	5,000	5,000
Total Expenses	181,739	184,981
Excess (Deficiency) of Revenues over Expenses	(2,916)	(18,462)

Park Manor Care Inc.

Schedule 2 - Support for Seniors in Group Living (SSGL) Program

Year Ended March 31, 2020

OPERATING REVENUES AND EXPENSES

REVENUES	**2020 Total $**	**2019 Total $**
Winnipeg Regional Health Authority (WRHA)	90,100	87,360
Other Revenue	-	73
Total Revenues	90,100	87,433
EXPENSES		
Salaries and Wages	58,977	60,919
Employee Benefits	11,687	11,363
Health and Education Tax	1,299	1,277
Program Expense	1,903	2,132
Administrative Expense	2,149	2,733
Management Fees	3,900	3,900
Total Expenses	79,915	82,324
Excess (Deficiency) of Revenues over Expenses	10,185	5,109

Park Manor Care

March 31, 2020