

Bennett Village
Financial Statements
For the Year Ended March 31, 2022

Bennett Village
Financial Statements
For the Year Ended March 31, 2022

Contents

Independent Auditor's Report	1 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 16
Schedule of Revenue and Expenses for The Gallery	17
Schedule of Changes in Net Assets for The Gallery	18



Tel: 519 824 5410
Fax: 519 824 5497
Toll-free: 877 236 4835
www.bdo.ca

BDO Canada LLP
245 Hanlon Creek Blvd
Guelph ON N1C 0A1 Canada

Independent Auditor's Report

To the Board of Directors of Bennett Village

Qualified Opinion

We have audited the accompanying financial statements of Bennett Village, 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Bennett Village as at March 31, 2022 and its statements of operations, changes in net assets and 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 organization derives part of its revenues in the form of donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were unable to determine whether any adjustments might be necessary to contributions or other revenues, excess of revenues over expenses and cash flows from operations for the year ended March 31, 2022 and year ended March 31, 2021, current assets as at March 31, 2022 and March 31, 2021, and net assets as at April 1, 2021 and March 31, 2022 and April 1, 2020 and March 31 for 2021.

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



In preparing the financial statements, management is responsible for assessing the 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
June 29, 2022

Bennett Village
Statement of Financial Position

March 31	Long Term Care	The Gallery Bennett Village	Fundraising Restricted	Fundraising Unrestricted	Development Fund	2022 Total	2021 Total
Assets							
Current							
Cash (Note 2)	\$ 640,872	\$ 189,166	\$ 30,610	\$ 172,199	\$ 547,742	\$ 1,580,589	\$ 2,172,362
Investments (Note 3)	500,000	1,516,233	-	-	1,569,949	3,586,182	3,017,520
Accounts receivable	346,101	73,553	-	-	22,381	442,035	186,686
Prepaid expenses	31,970	16,727	-	-	-	48,697	27,980
Interfund loans receivable (payable) (Note 9)	69,511	(21,205)	-	(1,242)	(47,064)	-	-
	1,588,454	1,774,474	30,610	170,957	2,093,008	5,657,503	5,404,548
Capital Assets (Note 4)	231,832	-	-	-	1,618,243	1,850,075	1,844,011
	\$ 1,820,286	\$ 1,774,474	\$ 30,610	\$ 170,957	\$ 3,711,251	\$ 7,507,578	\$ 7,248,559
Liabilities and Fund Balances							
Current							
Accounts payable and accrued liabilities (Note 5)	\$ 636,287	\$ 128,432	\$ -	\$ 19,250	\$ 90,557	\$ 874,526	\$ 748,323
Deferred revenue	26,109	-	-	-	32,500	58,609	108,853
Due to Ministry of Health and Long-Term Care	443,738	-	-	-	-	443,738	162,546
Deferred contributions (Note 13)	60,155	-	-	-	-	60,155	15,585
	1,166,289	128,432	-	19,250	123,057	1,437,028	1,035,307
Net Assets							
Invested in capital assets	231,832	-	-	-	1,618,243	1,850,075	1,844,011
Restricted funds (Note 6)	-	1,655,193	30,610	-	-	1,685,803	1,616,808
Reserve for replacements and development (Note 7)	-	-	-	-	-	-	211,499
Unrestricted	422,165	(9,151)	-	151,707	1,969,951	2,534,672	2,540,934
	653,997	1,646,042	30,610	151,707	3,588,194	6,070,550	6,213,252
	\$ 1,820,286	\$ 1,774,474	\$ 30,610	\$ 170,957	\$ 3,711,251	\$ 7,507,578	\$ 7,248,559

Commitments (Note 10)

On behalf of the Board:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

Bennett Village
Statement of Changes in Net Assets

For the year ended March 31,	2022						2022 Total	2021 Total
	Long Term Care	The Gallery Bennett Village	Fundraising Restricted	Fundraising Unrestricted	Development Fund			
Net assets, beginning of the year	\$ 648,454	\$ 1,651,243	\$ 29,193	\$ 124,000	\$ 3,760,362	\$ 6,213,252	\$ 5,849,592	
Excess (deficiency) of revenues over expenses	(13,786)	(5,201)	1,417	47,036	(172,168)	(142,702)	363,660	
Interfund transfers (Note 7)	19,329	-	-	(19,329)	-	-	-	
Net assets, end of the year	\$ 653,997	\$ 1,646,042	\$ 30,610	\$ 151,707	\$ 3,588,194	\$ 6,070,550	\$ 6,213,252	

The accompanying notes are an integral part of these financial statements.

Bennett Village Statement of Operations

2022

For the year ended March 31,	Long Term Care	The Gallery Bennett Village	Fundraising Restricted	Fundraising Unrestricted	Development Fund	2022 Total	2021 Total
Revenue							
Ministry of Health	\$ 4,574,103	\$ -	\$ -	\$ -	\$ -	\$ 4,574,103	\$ 4,557,603
Residents	1,576,946	-	-	-	-	1,576,946	1,568,988
Property management	-	890,481	-	-	-	890,481	860,982
Life lease unit resale commissions	-	-	-	-	202,300	202,300	213,425
Investment and other	39,475	26,895	-	678	13,765	80,813	66,297
Donations	-	-	2,450	48,494	-	50,944	44,747
	<u>6,190,524</u>	<u>917,376</u>	<u>2,450</u>	<u>49,172</u>	<u>216,065</u>	<u>7,375,587</u>	<u>7,312,042</u>
Expenses							
Nursing and personal care	3,649,392	-	-	-	-	3,649,392	3,529,101
Accommodation and other	1,871,679	922,449	1,033	2,136	353,139	3,150,436	2,712,409
Program and supportive services	360,620	-	-	-	-	360,620	367,990
Raw food	233,222	-	-	-	-	233,222	231,214
Life lease unit resale expenses	-	-	-	-	35,094	35,094	33,009
	<u>6,114,913</u>	<u>922,449</u>	<u>1,033</u>	<u>2,136</u>	<u>388,233</u>	<u>7,428,764</u>	<u>6,873,723</u>
Excess of revenues over expenses before inadmissibles	75,611	(5,073)	1,417	47,036	(172,168)	(53,177)	438,319
Inadmissibles:							
Amortization	89,397	128	-	-	-	89,525	74,659
Excess (deficiency) of revenues over expenses	<u>\$ (13,786)</u>	<u>\$ (5,201)</u>	<u>\$ 1,417</u>	<u>\$ 47,036</u>	<u>\$ (172,168)</u>	<u>\$ (142,702)</u>	<u>\$ 363,660</u>

The accompanying notes are an integral part of these financial statements.

Bennett Village Statement of Cash Flows

For the year ended March 31,	2022	2021
Cash flows from operating activities		
Excess of revenues over expenses	\$ (142,702)	\$ 363,660
Items not affecting cash:		
Amortization of capital assets	89,525	74,659
Unrealized gain on investments	(4,373)	3,097
Deferred capital contributions recognized	(8,700)	-
	(66,250)	441,416
Changes in non-cash working capital:		
Accounts receivable	(255,349)	(70,175)
Prepaid expenses	(20,717)	3,958
Accounts payable and accrued liabilities	126,203	276,044
Deferred revenue	(50,244)	69,770
Due to Ministry of Health and Long-Term Care	281,192	146,971
Deferred contributions	53,270	15,585
	68,105	883,569
Cash flows from investing activities		
Purchase of capital assets	(95,589)	(183,448)
Purchase of investments	(2,956,106)	(2,352,797)
Proceeds on sale of investments	2,391,817	2,196,880
	(659,878)	(339,365)
Net (decrease) increase in cash	(591,773)	544,204
Cash, beginning of the year	2,172,362	1,628,158
Cash, end of the year	\$ 1,580,589	\$ 2,172,362

The accompanying notes are an integral part of these financial statements.

Bennett Village Notes to Financial Statements

March 31, 2022

1 . Significant Accounting Policies

Nature and Purpose of Organization

Bennett Village is a non-profit organization incorporated without share capital under the laws of Ontario. The organization's mission is to be a not-for-profit campus of care and living option that provides supports and services for older adults in Halton Hills. Bennett Village operates a permanently licensed long-term care facility under Long-Term Care Homes Act (2007).

Bennett Village is also the developer and sponsor of The Gallery Bennett Village (the "Gallery"). The Gallery is a life lease housing development, whereby the buyer purchases a life lease interest, at market value, in both the property and their suite, similar to purchasing a home or condominium. They have exclusive use of their suite, shared use of all common areas and facilities, and many more benefits. When the buyer wishes to sell their life lease interest, they receive market value, less an administration fee. The Gallery is an important part of a long term plan to provide a continuum of care to seniors. The Gallery opened to residents during 2009.

Bennett Village is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund Accounting

Bennett Village applies fund accounting and follows the restricted fund method of accounting for contributions.

The Long Term Care Division ("LTC") accounts for the organization's activities and the provision of long term care to its residents. This fund reports revenues related to these activities, which include restricted operating grants and other unrestricted resources.

The Gallery Bennett Village Division ("The Gallery") accounts for the unrestricted and internally restricted operations of the Gallery.

The Fundraising Division ("Other") accounts for the other activities of Bennett Village. One fund reports the externally restricted contributions and the other reports the unrestricted contributions.

The Development Fund ("DF") accounts for the unrestricted and internally restricted commissions earned on resales of the life lease units. The fund is used to provide for development.

Bennett Village
Notes to Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued)

Pension Plan	The organization maintains defined contribution pension plans. The expenses for these plans is equal to the organization's required contributions for the year.
Revenue Recognition	<p>Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the LTC fund in the year in which the related expenses are incurred.</p> <p>Unrestricted contributions are recognized as revenue of the LTC fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Income earned on investments in The Gallery and DF is recorded in the corresponding fund in the period it is earned.</p> <p>Unrestricted and externally restricted fundraising is recognized in the appropriate Fundraising fund when received.</p>
Financial Instruments	<p>Financial Instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment.</p> <p>Financial assets are tested for impairment when indicators of impairment exist.</p>

Bennett Village
Notes to Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued)

Capital Assets Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Equipment (LTC)	Straight-line	5 years
Furniture and fixtures (Gallery)	Straight-line	5 years
Leasehold improvements (LTC)	Straight-line	5 years

Amortization is not recognized or funded by the Ministry of Health and Long-Term Care of the Province of Ontario.

Life lease assets, such as the Gallery building and related components, are not included in capital assets. Under a Life Lease arrangement, the sponsor initially develops the project and provides the necessary equity and financing, then sells the life lease interest to the life lease holders.

Contributed Services Volunteers contribute many hours per year to assist the organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Cash

The organization has access to a revolving demand loan facility in the amount of \$200,000 bearing interest at the bank's prime lending rate plus 0.05% payable on demand and secured by a general security agreement.

The organization also has access to a revolving demand facility in the amount of \$20,000 by way of letters of credit or letters of guarantee.

Bennett Village
Notes to Financial Statements

March 31, 2022

3. Investments

The carrying amounts of investments are comprised of the following:

	2022	2021
Fixed income	\$ 3,429,094	\$ 2,962,754
High interest savings accounts	157,088	54,766
	\$ 3,586,182	\$ 3,017,520

Fixed income investments interest rates and maturity dates vary from 0.80% to 2.85% and from April 2022 to June 2026.

4. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land improvements (DF)	\$ 1,618,243	\$ -	\$ 1,595,254	\$ -
Equipment (LTC)	1,086,331	860,440	1,013,731	776,733
Leasehold improvements (LTC)	140,050	134,109	140,050	128,419
Furniture and fixtures (Gallery)	16,803	16,803	16,803	16,675
	\$ 2,861,427	\$ 1,011,352	\$ 2,765,838	\$ 921,827
		\$ 1,850,075		\$ 1,844,011

Cost represents the amount of cash or cash equivalent paid upon purchase or if donated, the fair value determined upon donation.

During 2009, the organization transferred \$1,045,661 in land improvement costs from the Long Term Care Fund to the Development Fund. These land improvement costs related to the portion of undeveloped land which was partially serviced for future development.

Capital assets do not include the Gallery building and related components.

Bennett Village
Notes to Financial Statements

March 31, 2022

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$11,238 (2021 - \$15,255).

6. Internally Restricted Funds

The Gallery Bennett Village

In 2021, a reserve fund study was conducted by Chal!Eng.Corporation Consulting Engineers for the Gallery site.

In accordance with the Life Lease Occupancy Agreement, the organization is required to establish and maintain a reserve fund to provide sufficient funds for major repair and replacement of common areas and facilities of the Gallery. The organization shall hold the reserve fund in trust and maintain and invest it in accordance with the Trustee Act of Ontario. During the period, \$173,350 (2021 - \$40,796) of the reserve fund was used for these repairs.

In accordance with the reserve fund study, a contribution of \$207,139 (2021 - \$196,519) was made to the reserve fund for fiscal 2022.

7. Interfund Transfers

In fiscal 2022, \$19,329 was transferred from unrestricted fundraising to invested in capital assets to purchase equipment.

In fiscal 2022, the Board passed a motion to combine the \$211,499 from the reserve for replacements and development with the unrestricted fund.

Bennett Village Notes to Financial Statements

March 31, 2022

8. Pension Plan

The organization has two defined contribution pension plans. The amount of pension expenditure for the year was \$82,191 (2021 - \$80,992).

Ontario Long Term Care Association Registered Pension Plan

This plan is available to all full-time and part-time management and registered nurses following completion of 90 days of employment. It is a defined contribution plan. Contributions to the plan are based on matching of the participants' 4% contributions on regular earnings.

Nursing Homes and Related Industries Pension Plan

This plan is available to unionized employees who have completed 975 hours of service. Contributions to the plan are based on matching of the participants' 3.5% contributions on regular earnings. This plan is a target-benefit pension plan. A target-benefit pension plan is designed by pension professionals to provide a certain targeted level of benefits. However, because contributions are fixed by collective agreement the level of benefits is not guaranteed. If the plan develops a funding shortfall, benefit levels for all members, including retired members, may be reduced.

9. Interfund Loans

The loans between funds are non-interest bearing and have no set repayment terms.

10. Commitments

The organization entered into a long term lease for the use of a portion of a Halton Healthcare Services Corporation's building and equipment. Annual rent payments of \$80,000 are required to be paid until the lease expires in 2034.

11. Economic Dependence

The organization relies on the Ministry of Health and Long Term Care (MOHLTC) to provide the majority of its funding.

Bennett Village Notes to Financial Statements

March 31, 2022

12. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the organization's receivables are from government sources and residents. The organization works to ensure it meets all eligibility criteria in order to qualify to receive the funding. There have not been any changes in the risk from the prior year.

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 organization is exposed to interest rate risk on its fixed rate financial instruments. Fixed-interest instruments subject the organization to a fair value risk. The organization's primary objective is to ensure the security of principal amounts invested and provide a high degree of liquidity, while achieving a satisfactory return. There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The organization maintains a portion of its invested assets in liquid securities. The organization also maintains certain credit facilities, which can be drawn upon as needed. The organization is exposed to this risk mainly in respect of its accounts payable, amounts due to the Ministry of Health and Long-Term Care and commitments. There have not been any changes in the risk from the prior year.

Bennett Village
Notes to Financial Statements

March 31, 2022

13. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets. The changes in the deferred contributions balance for the period are as follows:

	2022	2021
Beginning balance	\$ 15,585	\$ -
Less: amounts recognized as revenue in the year	(8,700)	-
Add: amounts received related to a subsequent period	53,270	15,585
Ending balance	<u>\$ 60,155</u>	<u>\$ 15,585</u>

Bennett Village
Notes to Financial Statements

March 31, 2022

14. Uncertainty due to COVID-19

The impact of the COVID-19 pandemic has continued to have a significant impact on the global economy and on the operations of long-term care facilities. The residents of long-term care homes are at an increased risk of suffering health complications after contracting COVID-19. As a result, the organization has been incurring increased operating expenses to keep the home operating as an essential service during the quarantine period. The organization has received government funding to aid with these expenses, and expects to continue to receive financial aid in the months subsequent to year end. At this time, the full potential impact of COVID-19 on the organization is not known.

In response to the emergency declaration in Ontario related to COVID-19, additional funding of \$974,167 was received to cover additional costs incurred by the organization. Actual costs incurred amounted to \$783,539 and the remaining unused funding of \$190,628 is included in Due to Ministry of Health and Long-Term Care on the statement of financial position. The funding actually spent is included in these financial statements.

Funding

MOHLTC - IPAC	\$ 3,668
MOHLTC - COVID-19 Initiatives	553,747
MOHLTC - Pandemic Pay	<u>226,124</u>
Total COVID-19 Funding	\$ 783,539

Expenses

Nursing direct care	\$ 480,207
Nursing administration	165,637
Program expenses	31,218
Other accommodation expenses	<u>106,477</u>
Total COVID-19 Expenses	\$ 783,539

Bennett Village
Schedule of Revenue and Expenses for The Gallery

For the year ended March 31,	2022	2021
Revenues		
Occupancy fees	\$ 862,510	\$ 836,010
Other income	27,971	24,972
	<u>890,481</u>	<u>860,982</u>
Expenditures		
Utilities	244,782	229,968
Maintenance & contracts	231,219	209,021
Administration	123,702	131,738
Labour	115,020	104,828
Major repairs and replacement	173,350	40,796
Insurance	34,376	25,132
Amortization of capital assets	128	540
	<u>922,577</u>	<u>742,023</u>
Excess of revenues over expenditures from operations	(32,096)	118,959
Investment income	<u>26,895</u>	<u>29,569</u>
Excess of revenues over expenditures	<u>\$ (5,201)</u>	<u>\$ 148,528</u>

Bennett Village
Schedule of Changes in Net Assets for The Gallery

For the year ended March 31,	Unrestricted	Invested in Capital Assets	Reserve for Major Repairs & Replacement	2022 Total	2021 Total
Net assets, beginning of the year	\$ 63,500	\$ 128	\$ 1,587,615	\$ 1,651,243	\$ 1,502,715
Excess (deficiency) of revenues over expenses	168,277	(128)	(173,350)	(5,201)	148,528
Transfers	(234,034)	-	234,034	-	-
Net assets, end of the year	\$ (2,257)	\$ -	\$ 1,648,299	\$ 1,646,042	\$ 1,651,243