

AVENS - A COMMUNITY FOR SENIORS
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2022

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**AVENS - A
Community for
Seniors**

Owners of:

Aven Manor
long term care

Aven Cottages
dementia care

Aven Court/Aven Ridge
independent housing

Baker Community Centre
wellness

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The accounting firm of Avery Cooper & Co. Ltd. Chartered Professional Accountants annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

Daryl Dolynny
Chief Executive Officer
AVENS- A Community for Seniors

August 29, 2022

*AVENS Vision: A future where seniors age well and have choices,
where they are connected to a safe and caring community for life.*



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INDEPENDENT AUDITOR'S REPORT

To the Members of
AVENS - A Community for Seniors

Opinion

We have audited the financial statements of AVENS - A Community for Seniors (the "Association"), which comprise the Statement of Financial Position as at March 31, 2022, and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2022, 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.

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 are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- ♦ The Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT, continued

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 Association's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Association to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

August 29, 2022

AVENS - A COMMUNITY FOR SENIORS

STATEMENT OF FINANCIAL POSITION

March 31, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT		
Cash (note 3)	\$ 137,975	\$ 57,327
Term deposits (note 3)	28,623	28,356
Accounts receivable (note 4)	837,613	299,080
Prepaid expenses	<u>52,043</u>	<u>67,981</u>
	1,056,254	452,744
RESTRICTED CASH (note 5)	2,220,330	1,975,976
INVESTMENTS (note 6)	1,125,599	1,159,235
TANGIBLE CAPITAL ASSETS (note 7)	<u>32,294,844</u>	<u>29,672,372</u>
	<u>\$ 36,697,027</u>	<u>\$ 33,260,327</u>

LIABILITIES

CURRENT		
Bank indebtedness (note 3)	\$ 173,551	\$ 46,528
Trade payables and accruals (note 8)	1,992,470	699,824
Wages and benefits payable	484,666	786,138
Deferred revenue (note 9)	82,667	1,617,405
Security deposits	28,623	28,356
Contributions repayable (note 10)	402,683	339,564
Current portion of long-term debt	<u>402,722</u>	<u>508,619</u>
	3,567,382	4,026,434
LONG-TERM DEBT (note 11)	4,287,069	1,486,427
DEFERRED GOVERNMENT ASSISTANCE (note 12)	8,462	9,198
DEFERRED CAPITAL CONTRIBUTIONS (note 13)	<u>15,678,368</u>	<u>14,375,525</u>
	<u>23,541,281</u>	<u>19,897,584</u>

CONTINGENCIES (note 14)

NET ASSETS

UNRESTRICTED (DEFICIT) per page 3	(257,958)	(1,350,985)
APPROPRIATED SURPLUS per page 3	10,750	10,750
RESTRICTED REPLACEMENT RESERVE per page 3	1,269,534	1,197,211
INVESTMENT IN CAPITAL ASSETS per page 3	11,918,222	13,292,601
ENDOWMENT FUNDS per page 3	<u>215,198</u>	<u>213,166</u>
	13,155,746	13,362,743
	<u>\$ 36,697,027</u>	<u>\$ 33,260,327</u>

Approved: _____

Director

Director

See accompanying notes

AVENS - A COMMUNITY FOR SENIORS

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	(Unaudited) (note 20) 2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUES			
Contributions from NTHSSA	\$ 8,437,063	\$ 9,763,380	\$ 8,633,347
Contributions from NWTHC	692,509	692,509	692,509
Grants	-	121,883	152,358
Rental fees	919,656	906,932	906,189
Fees and expense recoveries	27,060	76,036	190,281
Interest income	8,400	9,612	4,299
Donations and fundraising	42,000	117,819	237,587
Amortization of deferred capital contributions	<u>432,300</u>	<u>440,852</u>	<u>432,925</u>
	<u>10,558,988</u>	<u>12,129,023</u>	<u>11,249,495</u>
EXPENSES			
Advertising and promotion	4,660	1,245	1,165
Amortization of tangible capital assets	1,228,778	1,368,425	1,366,242
Bad debts	-	174	-
Computer	5,160	10,937	5,730
Dietary	235,500	207,825	208,433
Fundraising	2,000	4,399	3,741
Training and development	86,000	41,533	41,983
Insurance	149,525	170,075	150,811
Interest and bank charges	6,360	7,639	6,559
Interest on long-term debt	43,635	43,274	62,956
Membership	13,300	3,615	9,884
Office and administration	16,400	80,243	20,747
Purchases from donations	-	13,219	64,182
Professional fees	68,000	63,966	57,509
Property taxes	167,158	168,106	165,342
Repairs and maintenance	254,830	994,550	265,316
Salaries and benefits	7,667,151	8,184,398	8,113,102
Contract services	163,412	160,041	146,658
Departmental supplies	186,451	185,580	178,716
Utilities	<u>504,956</u>	<u>585,802</u>	<u>555,358</u>
	<u>10,803,276</u>	<u>12,295,046</u>	<u>11,424,434</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(244,288)	(166,023)	(174,939)
OTHER EXPENSE			
Writedown of investments	<u>-</u>	<u>40,974</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (244,288)</u>	<u>\$ (206,997)</u>	<u>\$ (174,939)</u>

AVENS - A COMMUNITY FOR SENIORS

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2022

2022

	Unrestricted Surplus	Appropriated Surplus	Restricted Replacement Reserve	Investment in Capital Assets	Endowment Funds	Total
BALANCE, opening	\$ (1,350,985)	\$ 10,750	\$ 1,197,211	\$ 13,292,601	\$ 213,166	\$ 13,362,743
Deficiency of revenues over expenses	(206,997)	-	-	-	-	(206,997)
Transfers (note 17)	(74,355)	-	72,323	-	2,032	-
Purchase of tangible capital assets	(3,990,897)	-	-	3,990,897	-	-
Amortization of tangible capital assets	1,368,425	-	-	(1,368,425)	-	-
Proceeds from long-term debt	3,204,069	-	-	(3,204,069)	-	-
Repayment of long-term debt	(309,687)	-	-	309,687	-	-
Additions to deferred capital contributions	1,742,958	-	-	(1,742,958)	-	-
Amortization of deferred capital contributions	(440,116)	-	-	440,116	-	-
Amortization of deferred government assistance	(736)	-	-	736	-	-
Contributed long-term debt repayments	(199,637)	-	-	199,637	-	-
BALANCE, closing	<u>\$ (257,958)</u>	<u>\$ 10,750</u>	<u>\$ 1,269,534</u>	<u>\$ 11,918,222</u>	<u>\$ 215,198</u>	<u>\$ 13,155,746</u>

AVENS - A COMMUNITY FOR SENIORS

STATEMENT OF CHANGES IN NET ASSETS, continued

For the year ended March 31, 2022

						2021
	Unrestricted Surplus	Appropriated Surplus	Restricted Replacement Reserve	Investment in Capital Assets	Endowment Funds	Total
BALANCE, opening	\$ (1,406,545)	\$ 10,750	\$ 1,126,281	\$ 13,596,747	\$ 210,449	\$ 13,537,682
Deficiency of revenues over expenses	(174,939)	-	-	-	-	(174,939)
Transfers (note 17)	(73,647)	-	70,930	-	2,717	-
Purchase of tangible capital assets	(1,393,229)	-	-	1,393,229	-	-
Amortization of tangible capital assets	1,366,242	-	-	(1,366,242)	-	-
Proceeds from long-term debt	71,742	-	-	(71,742)	-	-
Repayment of long-term debt	(303,913)	-	-	303,913	-	-
Additions to deferred capital contributions	1,182,234	-	-	(1,182,234)	-	-
Amortization of deferred capital contributions	(432,125)	-	-	432,125	-	-
Amortization of deferred government assistance	(800)	-	-	800	-	-
Contributed long-term debt repayments	(186,005)	-	-	186,005	-	-
BALANCE, closing	<u>\$ (1,350,985)</u>	<u>\$ 10,750</u>	<u>\$ 1,197,211</u>	<u>\$ 13,292,601</u>	<u>\$ 213,166</u>	<u>\$ 13,362,743</u>

See accompanying notes

AVENS - A COMMUNITY FOR SENIORS

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES (note 23)		
Cash received from:		
NTHSSA contributions	\$ 8,617,063	\$ 7,766,000
Rentals	906,932	906,189
NWTHC contributions	475,000	475,000
Donations, fees and recoveries	443,214	517,718
Grants	76,632	62,358
GNWT: HSS - pavilion expansion	-	2,555,000
NTHSSA Covid-19 funding	<u>872,628</u>	<u>621,347</u>
	<u>11,391,469</u>	<u>12,903,612</u>
Cash paid for:		
Interest	25,402	31,452
Materials and services	2,840,663	1,310,566
Salaries and benefits	<u>8,485,871</u>	<u>8,077,505</u>
	<u>11,351,936</u>	<u>9,419,523</u>
	<u>39,533</u>	<u>3,484,089</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(309,687)	(303,912)
Proceeds from long-term debt	<u>3,204,069</u>	<u>71,742</u>
	<u>2,894,382</u>	<u>(232,170)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in investments	33,636	(2,395)
Change in restricted cash	(244,354)	(1,975,976)
Purchase of tangible capital assets	<u>(2,769,305)</u>	<u>(954,598)</u>
	<u>(2,980,023)</u>	<u>(2,932,969)</u>
(DECREASE) INCREASE IN (DEFICIENCY) CASH AND CASH EQUIVALENTS	(46,108)	318,950
(DEFICIENCY) CASH AND CASH EQUIVALENTS, opening	<u>39,155</u>	<u>(279,795)</u>
(DEFICIENCY) CASH AND CASH EQUIVALENTS, closing	<u>\$ (6,953)</u>	<u>\$ 39,155</u>
REPRESENTED BY:		
Cash	\$ 137,975	\$ 57,327
Term deposits	28,623	28,356
Bank indebtedness (note 3)	<u>(173,551)</u>	<u>(46,528)</u>
	<u>\$ (6,953)</u>	<u>\$ 39,155</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

1. NATURE OF OPERATIONS

AVENS - A Community for Seniors (the "Association"), is a non-profit organization incorporated April 29, 1983 under the *Societies Act* of the Northwest Territories, whose mission is providing quality services to seniors so they can make choices about how and where they live. The Association is a registered charity under paragraph 149(1)(f) of the *Income Tax Act* (Canada) and qualifies as a charitable organization under subsection 149.1(1) of this Act.

The Association receives the majority of its revenues through a funding agreement from the Northwest Territories Health and Social Services Authority - Yellowknife Region ("NTHSSA"), and Housing Northwest Territories ("NWT HC"). The Association's continued operations are dependent on these funding agreements and on satisfying the terms of the agreements.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash equivalents

The Association considers demand deposits held with banks including security deposits and retention accounts, and highly-liquid investments to be cash equivalents.

(b) Designated cash

Under the agreement with the NWT HC, the Association is required to set aside funds on an annual basis to create a Replacement Reserve. Funds, along with accumulated interest, must be held in a separate bank account or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by NWT HC from time to time.

(c) Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for term deposits and investments which are measured at fair value.

(d) Inventory

Inventory, which includes office and housekeeping supplies to be consumed in the rendering of services, is recorded at the lower of cost and current replacement cost and is included in prepaid expenses. Cost is determined on a first-in, first-out basis.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Tangible capital assets

Tangible capital assets are recorded at cost for individual items exceeding \$10,000 and amortized using the following rates and methods:

Tangible capital assets under construction are not amortized until the asset is available for productive use.

Buildings	- 2.5% (40 years) straight-line
Furniture and fixtures	- 20% (5 years) straight-line
Gazebo	- 20% (5 years) straight-line
Vehicle	- 30% declining balance
Emergency Exits/Sidewalks	- 8% declining balance

Donated tangible capital assets are recorded as additions to tangible capital assets and deferred capital contributions. Such donations are recorded at the fair market value of the donated tangible capital asset at the date of donation. When the fair market value is not known and cannot be reasonably estimated, the tangible capital asset is recognized at nominal value.

(f) Revenue recognition

The Association follows the deferral method of accounting for contributions. Externally restricted contributions for expenses of the current year are recognized as revenue in the current year. Externally restricted contributions for expenses of one or more future years are recorded as deferred revenue and recognized as revenue in the same year or years as the related expenses are recognized.

Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Externally restricted contributions for the purchase of tangible capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets. Externally restricted contributions for the purchase of tangible capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Externally restricted contributions for the repayment of debt that was incurred to fund the purchase of tangible capital assets that will be amortized, and are received to fund the periodic mortgage repayments, are recognized as revenue when received.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Revenue recognition, continued

Endowment contributions, consisting of restricted contributions subject to externally imposed stipulations specifying that they be maintained permanently, are recognized as direct increases in net assets in the current year.

Contributions of materials and services are recognized, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Investment income that is not externally restricted is recognized as revenue when earned. Externally restricted investment income that must be added to the principal amount of contributions held for endowment are recognized directly in net assets. Other externally restricted investment income are recognized as revenue when earned, in the appropriate deferred contributions balance or directly in net assets, depending on the nature of the restrictions on the same basis as described above.

Rental fees, and fees and expense recoveries, are recognized as revenue when earned.

(g) Funding

The Association is primarily funded by the NTHSSA and the NWTCH in accordance with established budget arrangements. It is the general practice of the NWTCH to adjust their funding based upon the ending financial position of the Association.

(h) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in income in the period in which they become known.

Significant estimates include the determination of the deemed cost and useful lives of tangible capital assets, bad debt provisions, and the allocation of general support and administrative expenses to projects and facilities.

(i) Employee future benefits

Defined contribution plan accounting is applied to the Association's Group Pension Plan whereby contributions are expensed when due.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Allocated expenses

The Association's primary operating activities consist of Aven Manor, Aven Court, Aven Ridge, and Aven Cottages Territorial Dementia Facility (TDF). Common general support expenses are allocated by identifying the appropriate basis of allocating each component of expense, and applies that basis consistently each year.

The Association has six departments consisting of Administration, Care, Food Services, Housekeeping, Maintenance, and Recreation. The departmental salaries and wages are allocated to scheduled activities for each facility (departmental allocation).

Majority of expenses are attributed to six categories basing on the respective contract managing department.

The Administration allocation is used for shared expenses managed by the Administration team. These include contract services, training, marketing, association membership, computer hardware and software, employee appreciation, clothing allowance, office supplies, telecommunications, and professional fees.

The allocation used for shared expenses of Aven Manor and Aven Court is related to the departmental activities. Care is based on the rotating schedules, Food Services is based on the nutrition requirements, and Recreation is based on the activity schedule.

The allocation of the expenses of the activities of the Maintenance department is based on the number of residents each facility serves. Such activities include facility ground, road, equipment maintenance, and common shared infrastructure.

Electricity and heating utilities are based on the square footage of facility for Manor, Cottages (TDF) and Court. Other utilities are allocated based on actual facility usage.

Solid waste expenses are allocated based on the number of respective residential units within each facility.

Insurance expenses are allocated based on the building assessment value.

Activities that are neither funded by the Northwest Territories Housing Corporation or Northwest Territories Health and Social Services Authority are allocated to general operations.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

3. CASH

The Association holds \$94,500 (2021 - \$65,192) in trust on behalf of its Aven Manor residents. These funds are administered under the stewardship of the Chief Executive Officer in the capacity of Power of Attorney. In addition, the Association holds \$970 (2021 - \$3,603) in trust on behalf of its Social Committee. These trust funds are not included in these financial statements.

	<u>2022</u>	<u>2021</u>
Operating bank account (bank indebtedness)	\$ (173,551)	\$ (46,528)
Retention accounts for designated funds	137,975	57,327
Term deposits	<u>28,623</u>	<u>28,356</u>
	<u>\$ (6,953)</u>	<u>\$ 39,155</u>

Operating bank indebtedness of \$173,551 (2021 - \$46,528) represents cheques issued in excess of deposits. Security deposits received from Aven Court and Aven Ridge tenants are deposited in a separate bank account. Interest earned during the year is credited to the account. A liability account due to Aven Court tenants is shown on the Statement of Financial Position as security deposits of \$28,623 (2021 - \$28,356).

A \$500,000 revolving demand credit facility is available from the Royal Bank of Canada, revolving by the bank in increments of \$5,000, interest rate at bank prime plus 1.40% per annum, interest payable monthly. As at March 31, 2022, \$65,000 (2021 - \$45,000) of the credit facility has been utilized.

4. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Contributions receivable:		
NTHSSA - Beds, Call Bell & Ipads	\$ 641,607	\$ -
NTHSSA - Covid-19 Funding	68,082	246,000
Arctic Energy Alliance - Rebate	<u>45,297</u>	<u>-</u>
Total contributions receivable	754,986	246,000
General	9,435	4,897
GST	<u>73,192</u>	<u>48,183</u>
	<u>\$ 837,613</u>	<u>\$ 299,080</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

5. RESTRICTED CASH

Restricted cash relates to contributions and loan proceeds for the Pavilion under construction per note 7.

	<u>2022</u>	<u>2021</u>
GNWT HSS - Contribution	\$ 1,978,091	\$ 1,975,976
CMHC Seed Funding	53,758	-
CMHC Loans	<u>188,481</u>	<u>-</u>
	<u>\$ 2,220,330</u>	<u>\$ 1,975,976</u>

6. INVESTMENTS

Investments consist primarily of mutual funds, and cash designated for restricted replacement reserves, appropriated surplus, and endowment funds.

	<u>2022</u>	<u>2021</u>
Replacement Reserves and Endowment Funds:		
Aven Cottages	\$ 91,215	\$ 91,032
Aven Court	206,245	216,937
Aven Manor	304,464	315,259
Aven Ridge	177,761	177,367
Baker Community Centre Endowment Fund	<u>200,180</u>	<u>213,200</u>
	979,865	1,013,795
General Operations to fund Appropriated Surplus	<u>145,734</u>	<u>145,440</u>
	<u>\$ 1,125,599</u>	<u>\$ 1,159,235</u>

Components of investments at March 31, 2022 are as follows:

	<u>2022</u> <u>Cost</u>	<u>2022</u> <u>Market value</u>	<u>2021</u> <u>Market value</u>
Mutual funds, and cash	<u>\$ 1,168,603</u>	<u>\$ 1,125,599</u>	<u>\$ 1,159,235</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

7. TANGIBLE CAPITAL ASSETS

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 7,190,000	\$ -	\$ 7,190,000	\$ 7,190,000
Buildings	34,359,043	15,672,704	18,686,339	19,989,858
Vehicle	215,899	135,171	80,728	115,326
Paving and grounds	6,751	6,751	-	-
Furniture and fixtures	1,114,138	917,173	196,965	40,732
Assets under construction	<u>6,140,812</u>	<u>-</u>	<u>6,140,812</u>	<u>2,336,456</u>
	<u>\$ 49,026,643</u>	<u>\$ 16,731,799</u>	<u>\$ 32,294,844</u>	<u>\$ 29,672,372</u>
Buildings consists of:				
Aven Manor	\$ 7,021,279	\$ 4,434,907	\$ 2,586,372	\$ 3,103,646
Aven Court	6,893,466	3,817,487	3,075,979	3,359,974
Baker Community Centre	1,628,760	917,224	711,536	766,269
Aven Cottages	15,506,001	5,104,059	10,401,942	10,773,440
Gazebo	7,638	7,638	-	-
Emergency Exits	37,953	29,491	8,462	9,198
Aven Ridge	3,200,000	1,357,901	1,842,099	1,915,783
Greenhouse	<u>63,946</u>	<u>3,997</u>	<u>59,949</u>	<u>61,548</u>
	<u>\$ 34,359,043</u>	<u>\$ 15,672,704</u>	<u>\$ 18,686,339</u>	<u>\$ 19,989,858</u>

At March 31, 2022, the Association accumulated construction costs totaling \$6,140,812 (2021 - \$2,336,456) in connection with the AVENS Pavilion project. Such capital expenditures are accumulated as assets under construction until such time the new facility has been completed. Upon completion of the new building, the accumulated expenditures are amortized over its estimated useful life.

The AVENS Pavilion under construction is a multi-family complex of 102 units of one and two bedrooms.

8. TRADE PAYABLES AND ACCRUALS

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 1,448,283	\$ 620,198
Accrued liabilities	541,333	32,060
Accrued interest on long-term debt	2,854	4,595
Government remittances payable - WSCC	<u>-</u>	<u>42,971</u>
	<u>\$ 1,992,470</u>	<u>\$ 699,824</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

9. DEFERRED REVENUE

Deferred revenue, consisting of resident activity and other funds, represents unspent externally restricted donations, and contributions and are recognized as revenue when the related expenses have been incurred.

	<u>Balance, opening</u>	<u>Contributions</u>	<u>Revenue recognized</u>	<u>Balance, closing</u>
Resident Activity Funds	\$ 45,726	\$ 16,998	\$ (8,513)	\$ 54,211
Facilities and Equipment	13,120	500	(6,800)	6,820
Resident Equipment / Replacement	5,000	-	-	5,000
Pavilion Expansion	1,553,559	-	(1,552,958)	601
Care on Call	-	119,487	(103,452)	16,035
	<u>\$ 1,617,405</u>	<u>\$ 136,985</u>	<u>\$ (1,671,723)</u>	<u>\$ 82,667</u>

10. CONTRIBUTIONS REPAYABLE

Contributions repayable, detailed in Schedule H, represents unspent contribution funding received from operations.

Changes during the year in contributions repayable are summarized as follows:

	<u>2022</u>	<u>2021</u>
Cash funding received	\$ 9,718,691	\$ 8,862,347
In-kind contributions	217,509	217,509
Funding receivable	709,689	246,000
Transfer to deferred capital contributions	(190,000)	-
Revenue recognized	(10,455,889)	(9,325,856)
Adjustments	<u>63,119</u>	<u>(14,703)</u>
Increase (decrease) during the year	63,119	(14,703)
Contributions repayable, opening	<u>339,564</u>	<u>354,267</u>
	<u>\$ 402,683</u>	<u>\$ 339,564</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

11. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
CMHC mortgage - Aven Manor 1.97% interest, repayable at \$10,675 per month including interest, secured by building with a carrying value of \$2,586,372 (2021 - \$3,103,646), matures October 1, 2022	\$ 74,232	\$ 199,530
CMHC mortgage - Aven Court 1.88% interest, repayable at \$17,394 per month including interest, secured by building with a carrying value of \$3,075,979 (2021 - \$3,312,524), matures April 1, 2028	1,199,128	1,383,516
NWTHC loan - Aven Ridge 7.24% interest, repayable at \$18,125 per month including interest, secured by a building with a carrying value of \$1,842,099 (2021 - \$1,915,783), matures October 1, 2022	140,621	340,258
CMHC Seed loan - AVEN Pavilion project Loan up to \$125,500 for eligible activities of the AVENS Pavilion under construction described in note 6. The loan was fully set off against the CMHC forgivable loan as described below.	-	71,742
CMHC Forgivable Loan - AVEN Pavilion project Loan up to \$31,753,794. A summary of the loan is provided below.	3,274,810	-
CMHC Repayable Loan - AVEN Pavilion project Loan up to \$7,214,044. A summary of the loan is provided below.	<u>1,000</u>	<u>-</u>
	4,689,791	1,995,046
Less current portion	<u>402,722</u>	<u>508,619</u>
	<u>\$ 4,287,069</u>	<u>\$ 1,486,427</u>

Estimated principal repayments are as follows:

2023	\$ 402,722
2024	191,383
2025	195,066
2026	198,718
Subsequent years	<u>3,701,902</u>
	<u>\$ 4,689,791</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

11. LONG-TERM DEBT, continued

The long-term debt of Aven Manor, Aven Court, and Aven Ridge is secured by a first charge in favour of Canada Mortgage and Housing Corporation (CMHC) and NWT HC. The Association annually receives contributions from NWT HC to fund the repayments of the CMHC Aven Court loan.

The Canada Mortgage and Housing Corporation (CMHC) repayable and forgivable loans make up total funding of \$38,967,838 under the National Housing Co-Investment Fund administered by CMHC as part of Canada's National Housing Strategy. The loan consists of a repayable portion of up to \$7,214,044, and a forgivable portion of up to \$31,753,794 to be used on the AVEN Pavilion project described in note 6.

The repayable loan bears interest on the unpaid principal amount from the first drawdown date; with interest being calculated semi-annually not in advance, commencing on the interest capitalization date, or as CMHC may otherwise determine. Interest only payments are due and payable in arrears monthly on the 1st day of the month commencing on the interest capitalization date.

On January 18, 2022, CMHC confirmed an annual interest rate of 2.57% on the repayable loan from January 20, 2022 to January 1, 2032. The interest is calculated semi-annually and not in advance.

During the year ended March 31, 2022, interest of \$5 was accrued on the advance of \$1,000, and included as part of the cost of the project.

Commencing from stabilization, the principal balance outstanding under the repayable loan will be amortized according to an amortization schedule to be agreed between CMHC and the Association based on the amortization schedule of 50 years, resulting in blended payments of principal and interest being payable on the 1st business day of each month following stabilization until the end of the term. Repayment in full of the remaining principal balance of the repayable loan and any interest or other payments due to CMHC shall be due on the final day of the term.

If substantial completion of the project is not achieved by September 30, 2023, the loan will be in default and CMHC shall not be required to make additional advances under the repayable loan and may, at its sole discretion, reduce the repayable loan amount to the aggregate of all advances that have been made to the Association as of September 30, 2023.

The CMHC loan with a forgivable portion is advanced in accordance with its drawdown schedule. The drawdowns are made by providing CMHC with a drawdown notice for an amount of not less than \$50,000 against work in place and conditional upon satisfaction of other conditions.

The forgivable loan is interest-free for so long as the conditions specified in the agreement are met and the forgivable loan is not in default. If the forgivable is in default, CMHC may, at its option, by notice to the borrower declare the forgivable loan shall bear interest at five (5%) percent per annum.

An equal portion of the principal amount of the forgivable loan shall be forgiven on each anniversary of:

(i) the date of the final advance, if such date is on the 1st day of the month, or

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

11. LONG-TERM DEBT, continued

(ii) the 1st day of the month following the date of the final advance of the project, if the date of the final advance is not on the 1st day of a month, provided that the Association has fulfilled its obligations under the agreement and the project is completed by September 30, 2023. To the extent any principal amount of the forgivable loan is not forgiven, repayment in full of the remaining principal balance of the forgivable loan and any interest or other payments due to CMHC shall be due on the final day of the term, or as CMHC may otherwise agree in its sole and absolute discretion.

If substantial completion of the project is not achieved by September 30, 2023, the loan will be in default and CMHC shall not be required to make additional advances and may, at its sole discretion, reduce the forgivable loan amount to the aggregate of all advances that have been made to the Association as of September 30, 2023.

During the year, the outstanding CMHC Seed loan of \$125,000 was fully set off against this forgivable loan.

Amount forgiven of the loan is included in revenue on the statement of operations in the year forgiven.

The loans are secured by:

(a) a first priority mortgage granted by the Borrower in favour of CMHC to be registered on title to the Project Lands located at civic address 5710 50th Avenue, Lot 43, Block 4252, Yellowknife, NT, in an amount equal to 120% of the Loans ;

(b) a general security agreement signed by the Borrower granting a first priority security interest in all of the present and after acquired personal property of the Borrower comprising or otherwise relating to the project or the project lands;

(c) an operating agreement;

(d) a first priority general assignment of rents and leases security interest on all of the interest of the Borrower in any leases or occupancy rights now or hereafter affecting the whole or any part Project;

(e) an assignment of contracts, including direct agreements with all material contractors, as applicable if required by CMHC (if any);

(f) an assignment of all insurance policies respecting the project;

(g) a no-interest letter, postponement, comfort letter or other agreement from the parties to any Co-Investment agreement affecting the Project or the holder(s) of any debt secured by an encumbrance on the real or personal property comprising the project or project lands, as applicable if required by CMHC (if any); and

(h) if required by CMHC, any other security deemed necessary by CMHC in its sole discretion.

The Association is required to meet a number of conditions per section 8 of the loan agreement.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

11. LONG-TERM DEBT, continued

The Association is required to provide some specific information as part of the reporting covenants per section 13 of the agreement.

The Association is also required to meet a number of covenants per section 14 of the loan agreement, including:

(i) A statement as to whether the replacement reserve fund has been maintained, and annual contribution has been funded to the replacement reserve fund. A statement as to whether all earnings accruing to the replacement reserve fund have been recorded and form part of such fund; and an opinion on the compliance of the borrower with this agreement.

(ii) The establishment and maintenance a replacement reserve fund in a segregated depository account designated by the borrower in respect of the project, the particulars of which have been provided to CMHC.

12. DEFERRED GOVERNMENT ASSISTANCE

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Emergency Exit	\$ 37,953	\$ 29,491	\$ 8,462	\$ 9,198

13. DEFERRED CAPITAL CONTRIBUTIONS

	Opening balance	Revenue recognized	Contributions	Closing balance
Aven Court	\$ 412,235	\$ (16,203)	\$ -	\$ 396,032
Baker Community Centre	221,293	(15,807)	-	205,486
Aven Ridge	698,792	(29,983)	-	668,809
Aven Cottages - Building	10,773,440	(374,498)	95,000	10,493,942
Pavilion Expansion Project	2,245,702	-	1,552,958	3,798,660
General - Greenhouse	24,063	(624)	-	23,439
Aven Manor	-	(3,000)	95,000	92,000
	<u>\$ 14,375,525</u>	<u>\$ (440,115)</u>	<u>\$ 1,742,958</u>	<u>\$ 15,678,368</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

14. CONTINGENCIES

The Aven Ridge loan with NWT HC described in Note 10 is forgiven on condition that the Association continues to meet certain requirements specified at the time it was granted. As such, the loan is accounted for as a contribution to which there is attached a contingent liability for repayment. Annual loan repayments are included in revenue as a contribution when the Association becomes entitled to receive it. During the year, such contributions totaled \$217,509 (2021 - \$217,509) including principal of \$199,638 (2021 - \$186,005) and interest of \$17,871 (2021 - \$31,504).

In addition, the Association has contributions repayable at March 31, 2022 as detailed in Schedule H totaling \$327,709, including \$264,590 (as revised per note 8) and \$71,361 from NWT HC and NTHSSA, respectively, towards operating the independent housing and long-term care facilities described therein. The Association has continued discussions with the funders regarding the need not to repay the unspent contributions. In management's opinion, the likelihood of having to repay the unspent funding is not determinable.

15. INVESTMENT IN CAPITAL ASSETS

At March 31, 2022, the Investment in Capital Assets fund consists of the following assets and related liabilities:

	<u>2022</u>	<u>2021</u>
Tangible capital assets (note 7)	\$ 32,294,843	\$ 29,672,372
Long-term debt (note 11)	(4,689,791)	(1,995,048)
Deferred government assistance (note 12)	(8,462)	(9,198)
Deferred capital contributions (note 13)	<u>(15,678,368)</u>	<u>(14,375,525)</u>
Investment in Capital Assets per page 1	<u>\$ 11,918,222</u>	<u>\$ 13,292,601</u>

Investment in Capital Assets is decreased at the same rate as the respective tangible capital assets are amortized. Any proceeds from disposal of tangible capital assets plus gains or losses arising from the disposal of tangible capital assets are charged to Investment in Capital Assets. Financing in excess of original costs will result in a negative Investment in Capital Assets balance.

16. APPROPRIATED SURPLUS

The Board appropriated \$10,750 (2021 - \$10,750) from the unrestricted surplus for future requirements:

	<u>Opening balance</u>	<u>Transfers to Unrestricted Surplus</u>	<u>Closing balance</u>
Barbara Bromley Fund	<u>\$ 10,750</u>	<u>\$ -</u>	<u>\$ 10,750</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

17. RESTRICTED REPLACEMENT RESERVE

The restricted replacement reserves principal contributions made by the Association are funded annually by contributions received from NTHSSA and NWTHC. During the year, the replacement reserve increased \$74,355 (2021 - \$73,647) and includes principal contributions totaling \$72,323 (2021 - \$70,444), and interest earned of \$2,032 (2021 - \$3,203). The restricted replacement reserve consists of the following:

	Accumulated Principal	Accumulated Interest	2022	2021
Internally Restricted Funds:				
Aven Manor	\$ 312,556	\$ 89,616	\$ 402,172	\$ 392,172
Aven Court	317,095	10,398	327,494	305,414
Aven Ridge	295,225	180	295,405	275,161
Aven Cottages	<u>244,000</u>	<u>463</u>	<u>244,463</u>	<u>224,464</u>
	1,168,876	100,657	1,269,534	1,197,211
Externally Restricted Endowment Funds:				
Baker Community Centre	<u>104,571</u>	<u>110,626</u>	<u>215,198</u>	<u>213,166</u>
	<u>\$ 1,273,447</u>	<u>\$ 211,283</u>	<u>\$ 1,484,732</u>	<u>\$ 1,410,377</u>

Aven Manor

Reserve account is to be credited \$10,000 (2021 - \$10,000) annually. The funds in the account may only be used for capital replacement.

Aven Court

Under the terms of the agreement with the NWTHC, this reserve account is to be credited \$20,200 (2021 - \$20,200) annually plus interest. The funds in the account may only be used for capital replacement authorized by NWTHC.

Baker Community Centre

These externally restricted endowment funds were donated to the Association with the requirement that they be invested permanently to maintain the principal, and that only the interest earned be used for replacement of the building or equipment of the Baker Community Centre.

Aven Ridge

Reserve account is to be credited \$20,244 (2021 - \$20,244) annually. The funds in the account may only be used for capital replacement authorized by NWTHC.

Aven Cottages

Reserve account is to be credited \$20,000 (2021 - \$20,000) annually. The funds in the account may only be used for capital replacement.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

18. PENSION PLAN

The Association participates in the Group Pension Plan ("the Plan"), which is a defined contribution pension plan administered by Manulife Financial. Each employee shall contribute 8% of salary, and those contributions are matched by the Association. The Plan is structured to enable individual employees to have access to and control of their own Plan accounts, including asset allocation, risk profile, and choice of investment instruments, subject to applicable legislation.

During the year, total contributions to the Plan is \$672,432 (2021 - \$665,144) including employee contributions of \$336,216 (2021 - \$332,572), and employer contributions of \$336,216 (2021 - \$332,572).

19. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, investments, bank indebtedness, wages and benefits payable, trade payables and accruals, contributions repayable, and long-term debt. It is management's opinion that the Association is not exposed to significant interest rate, currency, market, credit, liquidity, or cash flow risks arising from these financial instruments, unless otherwise noted. The carrying values of the financial instruments noted above approximate their fair values.

(a) Liquidity risk

The Association is exposed to liquidity risk in current liabilities and long-term debt. Liquidity risk is the risk that the Association cannot repay its obligations when they become due to its creditors. The Association reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; establishes monthly payment arrangements with key creditors; maintains an adequate line of credit to repay trade creditors, and repays mortgage loans interest and principal as they become due through annual funding obtained from NWTCH for the Aven Court and Aven Ridge loans. In management's opinion, the liquidity risk exposure to the Association is low.

20. BUDGET AMOUNTS

The 2021-22 budget amounts on the Statement of Operations are presented for information purposes only and are unaudited.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

21. CREDIT FACILITIES

The Association has a revolving line of credit facility with Royal Bank of Canada (RBC) with an authorized credit limit of \$500,000, revolving by the bank in increments of \$5,000, bearing interest at bank prime plus 1.4% per annum, interest payable monthly. As at March 31, 2022, \$65,000 (2021 - \$45,000) of the credit facility has been utilized.

In addition, the Association has two business credit cards with RBC with a combined credit limit of \$15,000, repayable on demand in accordance with the RBC Credit Agreement. As at March 31, 2022, \$5,642 (2021 - \$9,065) of the credit card has been utilized and is included in trade payables and accruals.

Both credit facilities are secured by:

1. General Security Agreement signed by the Association constituting a first ranking security interest in all personal property of the Association.
2. Collateral mortgage in the amount of \$2,080,000 signed by the Association constituting a first charge on the lands and improvements located at 5710 50th Ave Yellowknife, NT.

22. COMMITMENTS

At March 31, 2022, the Association has lease agreements for office equipment and elevator maintenance expiring in July 30, 2025 and January 2031, respectively. Future minimum lease payments are as follows:

2023	\$ 15,702
2024	15,702
2025	15,702
2026	8,380
2027	5,940
Subsequent years	<u>22,770</u>
	<u>\$ 84,196</u>

The Association entered into an agreement with Adam Dental Clinic to provide on-site dental services for residents without charge, commencing on July 1, 2019 and expiring June 30, 2024; with possible renewal for a further term of five years, upon the same terms. No consideration is paid by the Association for such services, nor are the services received recognized in the financial statements.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

23. SUPPLEMENTAL CASH FLOW INFORMATION

For the year ended March 31, 2022, the reconciliation of the deficiency of revenues over expenses to cash flows from operating activities is as follows:

	<u>2022</u>	<u>2021</u>
Deficiency of revenues over expenses per page 2	\$ (206,997)	\$ (174,939)
Items not affecting cash:		
Amortization of deferred government assistance	(736)	(800)
Amortization of deferred capital contributions	(440,116)	(432,126)
Amortization of tangible capital assets	1,368,425	1,366,242
Bad debts expense	174	-
Contributed Aven Ridge NWTHC loan interest	17,871	31,504
Contributed Aven Ridge NWTHC loan repayments	(217,509)	(217,509)
Additions to deferred capital contributions	<u>1,742,958</u>	<u>1,182,233</u>
	<u>2,264,070</u>	<u>1,754,605</u>
Change in non-cash operating working capital accounts:		
(Increase) decrease in accounts receivable	(538,707)	272,600
Decrease (increase) in prepaid expenses	15,938	(20,606)
(Decrease) increase in wages and benefits payable	(301,472)	35,597
Increase in trade payables and accruals	71,056	75,077
Increase in security deposits	267	772
Increase (decrease) in contributions repayable	63,119	(14,704)
(Decrease) increase increase in deferred revenue	<u>(1,534,738)</u>	<u>1,380,748</u>
	<u>(2,224,537)</u>	<u>1,729,484</u>
	<u>\$ 39,533</u>	<u>\$ 3,484,089</u>

Non-cash investing and financing transactions entered into by the Association during the year, which are excluded from the Statement of Cash Flows, consist of the purchase of tangible capital assets by assuming directly related trade payables of \$1,221,591 (2021 - \$438,633), and contributed Aven Ridge NWTHC loan repayments of \$217,509 (2021 - \$217,509).

24. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

25. OTHER SUPPLEMENTAL INFORMATION

Summarized information by segment is as follows:

	Budget per Financial Statements 2022	Excess (Deficiency) of Revenues over Expenses 2022	Excess (Deficiency) of Revenues over Expenses 2021
General Operations (Schedule A)	\$ (38,818)	\$ 77,425	\$ 237,556
Aven Manor (Schedule B)	(262,192)	(379,724)	(624,935)
Aven Cottages (Schedule C)	23,569	163,044	110,429
Aven Court (Schedule D)	(55,997)	(167,933)	(13,976)
Aven Ridge (Schedule E)	137,103	157,824	162,436
Baker Centre (Schedule F)	5,295	(57,633)	(46,449)
Pavilion Expansion Project (Schedule G)	(53,248)	-	-
	<u>\$ (244,288)</u>	<u>\$ (206,997)</u>	<u>\$ (174,939)</u>

26. CONTRACTUAL RIGHTS

The Association entered into a two-year lease agreement effective February 15, 2021 expiring February 15, 2023 to rent premises to a tenant for the operation of a hair salon, with an option to extend for one additional term of two years. The agreement calls for annual rent revenue to the Association for each of the fiscal years 2021-22 and 2022-23 of \$6,168.

During the year, the Association renewed its contribution agreement with NTHSSA totaling \$8,550,415 (2021 - \$8,617,063), for fiscal year 2022-23 whereby the contribution target is determined based on the aggregate budgeted annual surplus of both Aven Manor and Aven Cottages facilities (Schedule D-1).

Effective January 1, 2012, the Association entered into an agreement to rent out facilities to the Yellowknife Seniors' Society in the Baker Community Centre expiring December 31, 2027. The tenant has the option of extending the term for an additional two years. Future minimum lease revenue from this agreement is as follows:

2023	\$ 14,400
2024	14,400
2025	14,400
2026	14,400
2027	<u>10,800</u>
	<u>\$ 68,400</u>

AVENS - A COMMUNITY FOR SENIORS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

26. CONTRACTUAL RIGHTS, continued

The Association entered into an agreement with the Department of Health and Social Services of the Government of the Northwest Territories for the development of the kitchen and laundry facilities as part of the Avens pavilion under construction per note 6.

Total agreed contribution is \$5,110,000 for period October 10, 2020 to March 31, 2023; \$2,555,000 of which has been received to date.

27. COVID-19

On March 11, 2020, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations and companies through the restrictions put in place by federal, provincial, territorial and municipal governments regarding travel, business operations and isolation or quarantine orders.

The extent of the impact the COVID-19 outbreak may have on the Association will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and variants spread which continually impact travel, business closures or disruptions, and quarantine or isolation measures that are, or may, be put in place by Canada or other countries to fight the virus.

The Association's activities have been significantly impacted by the COVID-19 through restrictions imposed by the Chief Public Health Officer and unplanned financial costs caused by pandemic protocols. The Association has partnered with the Government of the Northwest Territories Health and Social Services to ensure that the infection control protocols exceed recommendations for long-term care facilities. Throughout the year, the Association implemented Outbreak Management Protocols and continues at an elevated level of infection prevention and control practices as the Northwest Territories continues to emerge wisely and reassess as needed.

SCHEDULE A

AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
GENERAL OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2022

	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Grants	\$ -	\$ 76,586	\$ 112,358
Donations and fundraising	42,000	117,819	232,163
Fees and expense recoveries	1,620	44,664	74,864
Interest income	8,400	9,612	4,299
Total Revenues	<u>52,020</u>	<u>248,682</u>	<u>423,685</u>
EXPENSES			
Advertising and promotion	61	202	15
Bad debts	-	174	-
Capital assets acquired			135,677
Computer	67	145	150
Contract services	1,666	1,646	1,731
Departmental supplies	-	52	-
Fundraising	2,000	4,399	3,741
Insurance			2,050
Interest and bank charges	6,360	7,639	6,559
Membership	116	15	109
Office and administration	213	(5,906)	1,869
Office supplies			51
Professional fees	810	835	738
Purchases from donations	-	13,219	64,182
Repairs and maintenance	11,000	36,367	26,105
Salaries and benefits	18,032	17,020	17,494
Training and development	10,832	318	32,452
Utilities	373		431
Writedown of investments	-	40,974	-
Total Expenses	<u>51,529</u>	<u>135,685</u>	<u>293,354</u>
ANNUAL SURPLUS BEFORE TRANSFERS	491	112,997	130,332
TRANSFERS (TO) FROM:			
Amortization of deferred capital contributions	-	625	625
Acquisition of tangible capital assets			135,677
Amortization of tangible capital assets	(39,309)	(36,197)	(29,187)
Acquisition of prepaid expenses			129
Use of prepaid expenses			(20)
EXCESS OF REVENUES OVER EXPENSES	<u>\$ (38,818)</u>	<u>\$ 77,426</u>	<u>\$ 237,555</u>

SCHEDULE B

**AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
AVEN MANOR**

FOR THE YEAR ENDED MARCH 31, 2022

	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Contribution from YHSSA	\$ 3,796,106	\$ 3,847,679	\$ 3,494,700
Covid-19 funding from YHSSA	-	568,422	402,604
Rental fees	283,584	278,744	277,036
Grants	-	-	-
Fees and expense recoveries	12,240	9,874	9,571
Donations and fundraising			20,000
Total Revenues	<u>4,091,930</u>	<u>4,704,719</u>	<u>4,203,912</u>
EXPENSES			
Advertising and promotion	1,985	450	496
Computer	2,198	4,658	2,734
Contract services	69,684	68,465	60,400
Departmental supplies	94,171	91,070	93,118
Dietary	143,184	126,358	126,020
Insurance	40,372	45,920	41,946
Interest on long-term debt	2,179	2,562	5,016
Membership	5,675	1,655	4,455
Mortgage Principal	124,574	125,300	122,880
Office and administration	6,986	9,951	8,105
Professional fees	28,971	26,714	22,530
Property taxes	29,663	29,964	29,620
Repairs and maintenance	44,880	359,930	72,007
Replacement reserves	10,000	10,000	10,000
Salaries and benefits	3,385,643	3,623,426	3,676,776
Training and development	32,400	10,107	5,420
Utilities	151,389	153,572	149,940
Total Expenses	<u>4,173,955</u>	<u>4,690,101</u>	<u>4,431,463</u>
ANNUAL (DEFICIT) BEFORE TRANSFERS	(82,025)	14,618	(227,551)
TRANSFERS (TO) FROM:			
Amortization of deferred government assistance	800	3,736	800
Acquisition of prepaid expenses			29,692
Use of prepaid expenses			(22,591)
Amortization of tangible capital assets	(315,541)	(533,378)	(538,164)
Mortgage principal	124,574	125,300	122,880
Replacement reserves	10,000	10,000	10,000
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (262,192)</u>	<u>\$ (379,724)</u>	<u>\$ (624,935)</u>

SCHEDULE C

**AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
AVEN COTTAGES**

FOR THE YEAR ENDED MARCH 31, 2022

	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Contribution from YHSSA	\$ 4,640,957	\$ 4,709,384	\$ 4,271,300
Covid-19 funding from YHSSA		637,895	464,743
Rental fees	263,328	256,843	255,426
Grants		45,297	20,000
Fees and expense recoveries			84,700
Total Revenues	4,904,285	5,649,419	5,096,169
EXPENSES			
Advertising and promotion	2,116	480	529
Computer	2,343	4,969	2,923
Contract services	78,353	76,888	71,624
Departmental supplies	91,993	94,186	95,901
Dietary	92,316	81,467	82,183
Insurance	56,221	63,948	58,414
Membership	6,557	1,822	4,647
Office and administration	7,446	10,621	8,535
Professional fees	31,341	29,739	24,143
Property taxes	61,641	61,927	60,842
Repairs and maintenance	119,243	463,229	98,785
Replacement reserves	20,000	20,000	20,000
Salaries and benefits	4,029,944	4,355,861	4,259,310
Training and development	35,920	10,687	5,583
Utilities	186,823	241,898	230,964
Total Expenses	4,822,256	5,517,723	5,024,383
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	82,029	131,696	71,786
TRANSFERS (TO) FROM:			
Amortization of deferred capital contributions	387,305	390,305	387,305
Acquisition of prepaid expenses			32,673
Use of prepaid expenses			(21,239)
Amortization of tangible capital assets	(465,764)	(378,957)	(380,096)
Replacement reserves	20,000	20,000	20,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 23,569	\$ 163,044	\$ 110,429

**AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
AVEN MANOR & COTTAGES
FOR THE YEAR ENDED MARCH 31, 2022**

	TOTAL		
	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Contribution from YHSSA	\$ 8,437,063	\$ 8,557,063	\$ 7,766,000
Covid-19 funding from YHSSA	-	1,206,317	867,347
Rental fees	546,912	535,587	532,463
Donations and fundraising	-	-	20,000
Grants	-	45,297	20,000
Fees and expense recoveries	12,240	9,874	94,271
Total Revenues	8,996,215	10,354,138	9,300,081
EXPENSES			
Advertising and promotion	4,104	930	1,025
Computer	4,541	9,627	5,658
Contract services	148,038	145,353	132,024
Departmental supplies	186,164	185,256	189,019
Dietary	235,500	207,825	208,203
Insurance	96,593	109,868	100,360
Interest on long-term debt	2,179	2,562	5,016
Membership	12,232	3,477	9,103
Mortgage principal	124,574	125,300	122,880
Office and administration	14,432	20,572	16,639
Professional fees	60,312	56,453	46,673
Property taxes	91,303	91,891	90,461
Repairs and maintenance	164,122	823,159	170,792
Replacement reserves	30,000	30,000	30,000
Salaries and benefits	7,415,587	7,979,287	7,936,086
Training and development	68,320	20,794	11,003
Utilities	338,213	395,470	380,905
Total Expenses	8,996,211	10,207,824	9,455,847
ANNUAL DEFICIT BEFORE TRANSFERS	3	146,314	(155,766)
TRANSFERS (TO) FROM:			
Amortization of deferred government assistance	800	3,736	800
Amortization of deferred capital contributions	387,305	390,305	387,305
Acquisition of prepaid expenses	-	-	62,365
Use of prepaid expenses	-	-	(43,830)
Amortization of tangible capital assets	(781,305)	(912,335)	(918,260)
Mortgage principal	124,574	125,300	122,880
Replacement reserves	30,000	30,000	30,000
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (238,622)	\$ (216,679)	\$ (514,506)

SCHEDULE D

**AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
AVEN COURT**

FOR THE YEAR ENDED MARCH 31, 2022

	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Contribution from NWTHC	\$ 425,000	\$ 425,000	\$ 425,000
Rental fees	238,884	240,165	242,103
Donations and fundraising			5,423
Total Revenues	<u>663,884</u>	<u>665,164</u>	<u>672,526</u>
EXPENSES			
General Administrative/Other			
Advertising and promotion	391	54,001	100
Computer	433	940	559
Contract services	10,762	10,634	10,113
Departmental supplies	215	182	211
Insurance	34,092	38,777	35,421
Interest on long term debt	24,431	24,049	27,554
Membership	748	99	544
Mortgage principal paid	184,298	184,387	181,033
Office and administration	1,378	1,983	1,803
Professional fees	5,392	5,394	7,856
Property taxes	44,614	44,577	43,796
Repairs and maintenance	37,286	89,620	39,417
Replacement reserves	20,200	20,200	20,200
Salaries and benefits	167,198	149,228	115,988
Training and development	5,376	1,741	1,028
Utilities	120,888	140,927	132,849
Sub-Total			
Total Expenses	<u>657,702</u>	<u>766,740</u>	<u>618,473</u>
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	6,182	(101,576)	54,053
TRANSFERS (TO) FROM:			
Amortization of deferred capital contributions	14,213	16,203	14,213
Acquisition of tangible capital assets			
Amortization of tangible capital assets	(280,890)	(287,147)	(285,157)
Acquisition of prepaid expenses			3,612
Use of prepaid expenses			(1,930)
Mortgage principal	184,298	184,387	181,033
Replacement reserves	20,200	20,200	20,200
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (55,997)</u>	<u>\$ (167,933)</u>	<u>\$ (13,976)</u>

SCHEDULE E

**AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
AVEN RIDGE**

FOR THE YEAR ENDED MARCH 31, 2022

	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Contributed NWTWC loan repayments	\$ 217,509	\$ 217,509	\$ 217,509
Rental fees	133,860	131,180	131,623
Contribution from NWTWC	50,000	50,000	50,000
Total Revenues	<u>401,369</u>	<u>398,689</u>	<u>399,132</u>
EXPENSES			
Advertising and promotion	93	9,231	24
Computer	103	224	60
Contract services	2,562	2,532	2,789
Departmental supplies	72	91	93
Insurance	18,840	21,429	19,575
Interest on long term debt	17,025	16,662	30,386
Membership	178	23	129
Mortgage principal paid	200,485	199,637	186,005
Office and administration	328	474	436
Professional fees	1,294	1,284	2,242
Property taxes	23,337	23,574	23,161
Repairs and maintenance	12,422	28,947	24,064
Replacement reserves	20,244	20,244	20,244
Salaries and benefits	44,050	38,864	43,534
Training and development	1,280	415	250
Utilities	45,392	49,085	41,175
Total Expenses	<u>387,705</u>	<u>412,717</u>	<u>394,168</u>
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	13,664	(14,027)	4,964
TRANSFERS (TO) FROM:			
Amortization of deferred capital contributions	29,983	29,983	29,983
Acquisition of prepaid expenses	-	-	1,734
Use of prepaid expenses	-	-	(1,590)
Amortization of tangible capital assets	(127,274)	(78,013)	(78,904)
Mortgage principal	200,485	199,637	186,005
Replacement reserves	20,244	20,244	20,244
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 137,103</u>	<u>\$ 157,824</u>	<u>\$ 162,436</u>

SCHEDULE F

**AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
BAKER CENTRE**

FOR THE YEAR ENDED MARCH 31, 2022

	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Fees and expense recoveries	\$ 13,200	\$ 21,497	\$ 21,145
Total Revenues	<u>13,200</u>	<u>21,497</u>	<u>21,145</u>
EXPENSES			
Property taxes	7,905	8,064	7,923
Repairs and maintenance	-	16,333	4,938
Total Expenses	<u>7,905</u>	<u>24,398</u>	<u>12,861</u>
ANNUAL SURPLUS BEFORE TRANSFERS	5,295	(2,901)	8,284
TRANSFERS (TO) FROM:			
Amortization of tangible capital assets	-	(54,733)	(54,733)
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ 5,295</u>	<u>\$ (57,634)</u>	<u>\$ (46,449)</u>

SCHEDULE G

**AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF REVENUES & EXPENSES
PAVILION EXPANSION PROJECT**

FOR THE YEAR ENDED MARCH 31, 2022

	(UNAUDITED) BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES			
Contribution from CMHC	\$ -	\$ -	\$ 92,713
Total Revenues	<u>-</u>	<u>-</u>	<u>92,713</u>
EXPENSES			
Advertising and promotion	14	-	27
Computer	15	-	234
Contract Services	384	(123)	3,412
Membership	27	-	19
Office & Administration	49	-	435
Professional fees	192	-	88,905
Repairs & Maintenance	30,000	123	-
Salaries and benefits	22,284	-	2,342
Training/Development	192	-	35
Utilities	90	-	479
Total Expenses	<u>53,248</u>	<u>-</u>	<u>95,888</u>
ANNUAL (DEFICIT) BEFORE TRANSFERS	(53,248)	-	(3,175)
TRANSFERS (TO) FROM:			
Acquisition of deferred capital contributions	-	-	(20,971)
Acquisition of tangible capital assets	-	-	95,751
Acquisition of prepaid expenses	-	-	142
Use of prepaid expenses	-	-	(5)
CMHC seed loan	-	-	(71,742)
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (53,248)</u>	<u>\$ -</u>	<u>\$ 0</u>

AVENS - A COMMUNITY FOR SENIORS
SCHEDULE OF CONTRIBUTIONS REPAYABLE
For the year ended March 31, 2022

Program	Schedule	Opening balance	Cash funding received	In-kind contributions	Funding receivable	Transfers to deferred capital contributions	Total funding available	Revenue recognized	Adjustments	Closing balance
CONTRIBUTIONS										
Northwest Territories Health and Social Services Authority (NTHSSA)										
Aven Cottages	D	\$ 123,869	\$ 4,159,661		\$ 351,440	\$ 85,500	\$ 4,549,470	\$ 4,425,601		\$ 123,869
Aven Manor	B	(52,508)	5,084,030		358,249	104,500	5,285,271	5,337,779		(52,508)
		71,361	9,243,691	-	709,689	190,000	9,834,741	9,763,380	-	71,361
Northwest Territories Housing Corporation (NWTHC)										
Aven Ridge	E	(18,227)	50,000				31,773	50,000	9,209	(9,018)
Aven Ridge - Forgiven loan repayments	E	-		217,509			217,509	217,509		-
Aven Court	C	254,041	425,000				679,041	425,000	53,910	307,951
Court - Lighting Project	C	28,776	-				28,776	-		28,776
		264,590	475,000	217,509	-	-	957,099	692,509	63,119	327,709
Total contributions		335,951	9,718,691	217,509	709,689	190,000	10,791,840	10,455,889	63,119	399,070
GRANTS										
GNWT - Department of Health and Social Services										
Aven Cottages - Maximizing Northern Employment (MNE) Graduate Nurse Placement		3,613					3,613			3,613
Total grants		3,613	-	-	-	-	3,613	-	-	3,613
Total contributions and grants (note 8)		\$ 339,564	\$ 9,718,691	\$ 217,509	\$ 709,689	\$ 190,000	\$ 10,795,453	\$ -	\$ 63,119	\$ 402,683