Bethany Nursing Home of Camrose, Alberta

(Operating as The Bethany Group)

Consolidated Financial Statements

Year Ended March 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Governing Board of Bethany Nursing Home of Camrose, Alberta:

Opinion

We have audited the consolidated financial statements (the "financial statements") of Bethany Nursing Home of Camrose, Alberta *operating as* The Bethany Group (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net assets (debt) 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 Group as at March 31, 2022, and the results of its operations, changes in net assets (debt), and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. the Statement of Operations – Bethany Foundation and Statement of Operations – Bashaw Meadows Lodge are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

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 the 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (the Governing Board) are responsible for overseeing the Group's financial reporting process.

(continues)

Independent Auditors' Report to the Governing Board of Bethany Nursing Home of Camrose, Alberta *(continued)*

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report or, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
June 23, 2022

	2022	2021
ASSETS		
Current		
Cash and cash equivalents	**$ 6,619,313**	$ 3,296,431
Short-term investments (Note 4)	**120,773**	805,523
Accounts receivable (Note 3)	**675,885**	554,848
Inventory	**57,607**	63,227
Prepaid expenses	**186,832**	173,699
	7,660,410	4,893,728
Long-term investments, at fair value (Note 4)	**3,521,323**	2,871,437
Tangible capital assets (Note 5)	**54,163,712**	56,251,887
	65,345,445	64,017,052
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	**$ 6,248,456**	$ 5,015,144
Unearned income and deposits	**3,099,891**	3,393,919
Deferred contributions (Note 7)	**750,782**	748,907
Mortgages payable - current portion (Note 9)	**394,941**	375,990
	10,494,070	9,533,960
Life lease funds (Note 10)	**22,504,365**	21,501,433
	32,998,435	31,035,393
Non-current		
Deferred contributions related to tangible capital assets (Note 8)	**19,332,547**	19,996,263
Mortgages payable (Note 9)	**11,528,809**	11,933,264
	63,859,791	62,964,920
NET ASSETS		
Unrestricted net deficit	**(1,207,651)**	(2,263,428)
Net assets internally restricted (Note 11)	**1,658,923**	318,142
Net assets externally restricted (Note 12)	**631,332**	552,481
Net assets invested in tangible capital assets	**403,050**	2,444,937
	1,485,654	1,052,132
	$ 65,345,445	$ 64,017,052

Approval on behalf of the board:

Board Chair

Board Member

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

	2022					2021
	Unrestricted Net Assets (Deficit)	**Net Assets Externally Restricted**	**Net Assets Internally Restricted (Note 10)**	**Net Assets Invested in Tangible Capital Assets**	**Total**	Total
Beginning balance	**$ (2,263,428)**	**$ 552,481**	**$ 318,142**	**$ 2,444,937**	**$ 1,052,132**	$ (73,172)
Excess of revenues over expenses	**433,522**	**-**	**-**	**-**	**433,522**	1,125,304
Transfer to internally restricted net assets	**(1,340,781)**	**-**	**1,340,781**	**-**	**-**	-
Transfer to externally restricted net assets	**(78,851)**	**78,851**	**-**	**-**	**-**	-
Purchase of tangible capital assets (TCA)	**(41,603)**	**-**	**-**	**41,603**	**-**	-
Amortization of TCA	**2,129,778**	**-**	**-**	**(2,129,778)**	**-**	-
Amortization of deferred contributions	**(663,716)**	**-**	**-**	**663,716**	**-**	-
Repayment of debt related to TCA	**(385,504)**	**-**	**-**	**385,504**	**-**	-
Life Lease funds retained and refunded	**1,002,932**	**-**	**-**	**(1,002,932)**	**-**	-
Ending balance	**$ (1,207,651)**	**$ 631,332**	**$ 1,658,923**	**$ 403,050**	**$ 1,485,654**	$ 1,052,132

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

	2022 Budget *(unaudited)*	**2022**	2021
Revenue			
Funding resident care	$ 28,309,200	**$ 28,673,513**	$ 28,138,469
Resident and others client fees	13,430,832	**13,143,945**	13,260,696
Recoveries, rebates and other services	1,252,000	**1,362,083**	1,253,741
Special project funding	145,000	**4,555,253**	2,047,354
Sundry	42,000	**5,657**	5,149
	43,179,032	**47,740,451**	44,705,409
Expenses			
Wages	27,700,050	**28,344,702**	28,443,153
Benefits	6,120,283	**6,363,897**	6,041,237
Material and services	8,342,150	**10,863,884**	7,834,804
	42,162,482	**45,572,483**	42,319,194
Excess of revenue over expenses before other items	1,016,550	**2,167,968**	2,386,215
Other items			
Donations	25,000	**71,981**	74,800
Charitable foundation expenses	(52,750)	**(70,227)**	(26,221)
Purchasing rebates	150,000	**179,605**	187,261
Investment income	27,750	**82,855**	512,044
Interest on long term debt	(585,500)	**(532,598)**	(559,056)
Amortization of deferred capital contributions	648,228	**663,716**	663,880
Amortization of equipment	(207,628)	**(264,100)**	(246,176)
Amortization of buildings	(1,646,866)	**(1,865,678)**	(1,867,443)
Excess (deficiency) of revenue over expenses	$ (625,216)	**$ 433,522**	$ 1,125,304

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

	2022	2021
Cash flows from operating activities:		
Excess of revenue over expenses	$ **433,522**	$ 1,125,304
Adjustments for items which do not affect cash:		
Unrealized gains on fair value of investments	**(15,822)**	(381,783)
Life lease funds retained	**(57,502)**	(87,100)
Unrealized mortgage interest earned	**(1,854)**	(1,838)
Amortization of deferred capital contributions	**(663,716)**	(663,880)
Amortization of buildings and equipment	**2,129,778**	2,113,619
	1,824,406	2,104,322
Change in non-cash working capital items:		
Accounts receivable	**(121,037)**	258,959
Inventory	**5,620**	(26,398)
Prepaid expenses	**(13,133)**	(112,316)
Accounts payable and accurals	**1,233,312**	(1,903,559)
Unearned income and deposits	**(294,028)**	2,339,252
Deferred contributions	**1,875**	15,477
	2,637,015	2,675,737
Cash flows from investing activity:		
Purchase of tangible capital assets	**(41,603)**	(1,118,458)
Purchase of investments	**(749,314)**	(1,150,813)
Proceeds on redemption of investments	**800,000**	1,891,106
	9,083	(378,165)
Cash flows from financing activities:		
Tangible capital asset contributions received	**-**	415,966
Mortgage repayment	**(385,504)**	(236,304)
Life lease funds received	**2,398,000**	1,758,000
Life lease funds refunded	**(1,335,712)**	(2,597,538)
	676,784	(659,876)
Increase in cash and cash equivalents	**3,322,882**	1,637,696
Cash and cash equivalents, beginning of year	**3,296,431**	1,658,735
Cash and cash equivalents, end of year	$ **6,619,313**	$ 3,296,431

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

1. Nature of operations

Bethany Nursing Home of Camrose, Alberta, operating under the name "The Bethany Group" (TBG), is a not-for-profit organization incorporated by an Act of the Alberta Legislature and is a registered charity under the Income Tax Act. From its base in Camrose and through facilities in numerous communities, TBG provides services to seniors and low-income residents of central Alberta. TBG provides a range of health, housing and community services in fulfilling its mission to enhance the quality of life of the people it serves.

2. Summary of significant accounting policies

a) Basis of presentation

The Bethany Group has prepared these consolidated financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). The consolidated financial statements include the accounts of all the divisions of The Bethany Group, except those divisions operated under the Alberta Housing Act as management body.

b) Consolidation

TBG accounts for its subsidiaries using the consolidation method. These consolidated financial statements include the accounts of its wholly-owned subsidiary, The Bethany Foundation whose board consists of members of The Bethany Group board. All significant intercompany balances and transactions have been eliminated.

c) Measurement uncertainty

The preparation of these consolidated financial statements requires The Bethany Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statements, and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates include allowance for doubtful accounts, inventory obsolescence, estimated useful lives of tangible capital assets, and current portion of mortgage payable. Actual results could differ from these estimates.

d) Revenue recognition

The Bethany Group follows the deferral method of accounting for contributions.

Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of tangible capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related acquired capital assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Net investment income that is not externally restricted is recognized in the statement of operations as it is earned. Net investment income that is externally restricted is deferred and added to the amounts held for endowment. Other externally restricted net investment income is recognized in the statement of operations, in deferred contributions, or in net assets, depending on the nature of restrictions imposed.

2. Summary of significant accounting policies *(continued)*

e) Cash and cash equivalents

Cash and cash equivalents consist of cash in chartered banks, Alberta Treasury Branch accounts and petty cash at The Bethany Group sites. Funds are maintained to cover resident damage deposits and endowments.

f) Contributed materials and services

Contributed materials and services are recognized at their fair value in the consolidated financial statements when the amount can be reasonably estimated and when the materials and services are used in the normal course of The Bethany Group's operations and would otherwise have been purchased. Volunteers contribute hours to assist The Bethany Group in carrying out its service delivery activities; because of the difficulty of determining their fair value, these contributed services are not recognized in the consolidated financial statements.

g) Inventory

Inventory of pharmaceutical drugs and educational materials are valued at the lower of cost and current replacement cost with cost determined on a weighted-average basis. Cost includes original purchase price and any costs incurred in bringing inventory to its present location and condition.

h) Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution; when fair value cannot be reasonably determined, the tangible capital asset is recorded at a nominal value. Tangible capital assets are amortized on a "straight-line" basis over their estimated useful lives as follows:

Buildings	40 years
Land Improvements	10 years
Equipment	5 - 20 years

Buildings under construction are not amortized until construction is complete and the asset is in use.

When a tangible capital asset no longer has any long-term service potential to The Bethany Group, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any write-downs recognized are not reversed.

i) Financial instruments

Upon initial measurement, The Bethany Group's financial assets and liabilities are measured at fair value, which, in the case of financial assets or liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

At each reporting date, The Bethany Group measures its financial assets and liabilities at amortized cost, including any impairment in the case of financial assets, except for investments quoted in an activemarket which are measured at fair value. TBG has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of The Bethany Group's investments are recorded in the consolidated statement of operations. TBG uses the straight-line method over the term of the related financial instrument to amortize any premiums, discounts, transaction costs, and financing fees to the consolidated statement of operations.

2. Summary of significant accounting policies *(continued)*

i) Financial instruments *(continued)*

With respect to financial assets measured at amortized cost, The Bethany Group assesses whether there are any indications of impairment. When there is an indication of impairment, and if The Bethany Group determines that during the year there was a significant adverse change in the expected timing or amountof future cash flows from the financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

3. Accounts receivable

	2022	2021
Due from related parties (Note 13)	$ 425,990	$ 180,870
Resident fees	183,269	291,051
GST receivable, net	38,154	64,523
Special project funding and miscellaneous	28,472	18,404
	$ 675,885	$ 554,848

4. Investments

	2022	2021
Cash	$ 20,773	$ 5,523
Fixed income securities:		
Short-term investments	100,000	800,000
Term to maturity less than 1 year		
Yield of 0.75% (2021 – 0.38% to 2.93%)		
Total short-term investments	120,773	805,523
Equities quoted in an active market:		
Preferred shares	955,200	954,600
Mutual funds	2,566,123	1,916,837
Total long-term investments	3,521,323	2,871,437
Total investments at fair value	$ 3,642,096	$ 3,676,960

Investment income is reported as:

	2022	2021
Interest and dividend income	$ 67,033	$ 130,261
Increase decrease in fair value of investments	15,822	381,783
	$ 82,855	$ 512,044

Investment income earned (loss) on net assets is as follows:

	2022	2021
Income earned on unrestricted net assets	$ 127,728	$ 96,270
Income earned on restricted net assets	(44,873)	415,774
	$ 82,855	$ 512,044

5. Tangible capital assets

	2022			2021
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land	**$ 2,273,583**	**-**	**2,273,583**	$ 2,273,583
Land improvements	**403,384**	**369,212**	**34,172**	50,518
Buildings	**73,600,689**	**22,407,804**	**51,192,885**	53,042,217
Equipment	**6,310,208**	**5,647,136**	**663,072**	885,569
	$ 82,587,864	**28,424,152**	**54,163,712**	$ 56,251,887

6. Accounts payable and accrued liabilities

	2022	2021
Accrued salaries and employee future benefits	**$ 3,323,939**	$ 2,957,477
Trade payables	**2,736,831**	1,985,537
Due to related parties (Note 13)	**148,148**	31,943
Accrued interest	**39,538**	40,187
	$ 6,248,456	$ 5,015,144

7. Deferred contributions

Deferred contributions represent unspent resources externally restricted for operating expense that relate to subsequent periods. Changes in deferred contributions are as follows:

	2022	2021
Balance, beginning of year	**$ 748,907**	$ 733,430
Interest income earned	**1,875**	15,477
Balance, end of year	**$ 750,782**	$ 748,907

Deferred contributions have been allocated as follows:

	2022	2021
Building funding	**$ 590,451**	$ 590,451
Other special purpose funds	**160,331**	158,456
	$ 750,782	$ 748,907

Donations to the building fund are utilized for new construction or enhancements to facilities owned by The Bethany Group.

8. Deferred contributions related to tangible capital assets

Deferred contributions related to tangible capital assets represent restricted contributions with which tangible capital assets were purchased. Changes in deferred contributions related to tangible capital assets are as follows:

	2022	2021
Balance, beginning of year	**$ 19,996,263**	$ 20,244,179
Contributions received	-	415,964
Contributions recognized as revenue	**(663,716)**	(663,880)
Balance, end of year	**$ 19,332,547**	$ 19,996,263

8. Deferred contributions related to tangible capital assets *(continued)*

Deferred contributions have been allocated as follows:

	2022	2021
Government grants	**$ 18,529,887**	$ 19,158,677
Contributions from other sources	**802,660**	837,586
	$ 19,332,547	$ 19,996,263

9. Mortgages payable

	2022	2021
Royal Bank of Canada mortgage, bearing interest at 5.08% per annum, repayable in monthly blended installments of $35,390, maturing October 2033. (Bashaw Meadows)	**$ 5,646,012**	$ 5,793,377
Connect First Credit Union mortgage, bearing interest at 3.95% per annum, repayable in monthly blended installments of $20,214, maturing April 2023. (Wetaskiwin Meadows)	**3,072,790**	3,191,405
Royal Bank of Canada mortgage, bearing interest at 4.36% per annum, repayable in monthly blended installments of $13,871, maturing January 2027. (Deer Meadows)	**1,995,085**	2,077,503
Royal Bank of Canada mortgage, bearing interest at 4.59% per annum, repayable in monthly blended installments of $7,515, maturing July 2032. (Jamieson Manor)	**1,209,863**	1,246,969
Total mortgages payable	**11,923,750**	12,309,254
Current portion	**394,941**	375,990
	$ 11,528,809	$ 11,933,264

Mortgages payable are secured under a first mortgage on the related properties with a carrying value of $25,784,012 (2021 – 26,586,559), general assignment of rents and revenues, as well as a general security agreement over personal property.

Estimated future principal payments are follows:

2023	$ 394,941
2024	412,550
2025	430,958
2026	450,204
2027	470,325
Thereafter	9,764,772
	$ 11,923,750

10. Life lease funds

Entry fees are received from individuals prior to a life lease unit being occupied. Based on the nature of the life lease program, a portion of the entry funds are refundable.

The life lease programs at Hillside Village and Lakeside Village immediately recognized 5% of entry fees as revenue upon receipt, with a further 1% being recognized to revenue each year that the resident continues to occupy the unit up until the 5th year. The remaining balance is refundable within 90 days following of the unit being vacated.

The life lease program at Brookside does not recognize any of the entry fees to income at any time, with the entire balance being refundable within 90 days following of the unit being vacated.

The refundable balance of life lease funds by program are as follows:

	2022	2021
Brookside	**$ 13,840,294**	$ 12,888,148
Hillside Village	**5,038,287**	5,511,487
Lakeside Village	**3,625,784**	3,101,798
	$ 22,504,365	$ 21,501,433

Life lease funds are secured by registered mortgages on the land and buildings, with carrying values as follows:

	2022	2021
Brookside	**$ 13,307,168**	$ 13,760,070
Hillside Village	**3,748,374**	3,921,068
Lakeside Village	**2,898,250**	3,010,804
	$ 19,953,792	$ 20,691,942

11. Net assets internally restricted

Internally restricted funds are not available for unrestricted purposes without the approval of the Governing Board. Net assets have been internally restricted for the following purposes:

	2022	2021
Equipment and facilities reserve	**$ 756,281**	$ 756,281
Employee wellness fund	**651,676**	500,165
Resident life enhancements	**269,515**	187,174
Life lease entry fee retirement reserve	**(18,549)**	(1,125,478)
	$ 1,658,923	$ 318,142

The Bethany Group has set aside investments for the full amount of the net assets internally restricted.

12. Net assets externally restricted

The following externally restricted funds are not available for unrestricted purposes without the approval of the lender, the Royal Bank of Canada, for the Jamieson Manor and Bashaw Meadows facilities. The funds can be utilized for maintenance of the respective buildings only with expressed permission from the Royal Bank of Canada. Net assets have been restricted as follows:

	2022	2021
Bashaw Meadows	$ 486,438	$ 422,238
Jamieson Manor	144,894	130,243
	$ 631,332	$ 552,481

The Bethany Group maintains separate trust accounts for the full amount of net assets externally restricted.

13. Related party transactions

The Bethany Group manages the operations of one lodge on behalf of the Camrose and Area Lodge Authority, two lodges on behalf of the Wetaskiwin and Area Lodge Authority, one lodge on behalf of the Flagstaff Regional Housing Group, two lodges and affordable housing project on behalf of the Lacombe Foundation, and 58 subsidized housing projects, as well as rent supplement program, on behalf of the Province of Alberta.

The Bethany Group, in its capacity as a management body, has no economic interest in any of these related parties. The Bethany Group pays part of the expense for the lodges and housing projects, and is reimbursed monthly.

The amounts due from (to) related parties are included in accounts receivable and accounts payable. The related party balances:

	2022	2021
Amounts included in accounts receivable:		
Camrose and Area Lodge Authority	$ 210,526	$ 104,751
Provincial Housing Management Body	182,886	36,838
Flagstaff Regional Housing Group	26,062	12,784
Parkland Foundation	6,516	-
Lacombe Foundation	-	26,497
	$ 425,990	$ 180,870
Amounts included in accounts payable:		
Lacombe Foundation	$ 144,758	$ -
Wetaskiwin and Area Lodge Authority	3,390	31,943
	$ 148,148	$ 31,943

The Bethany Group also receives a mutually agreed fee for shared administrative services, maintenance, education services as well as workplace health and safety services from the Camrose and Area Lodge Authority, Wetaskiwin and Area Lodge Authority, Flagstaff Regional Housing Group, Lacombe Foundation, Parkland Foundation, and Provincial Housing Management Body. The fee received from each of these entities is as follows:

13. Related party transactions *(continued)*

		2022		2021
Provincial Housing Management Body	**$**	**537,425**	$	533,249
Wetaskiwin and Area Lodge Authority		**175,500**		175,500
Lacombe Foundation		**171,866**		171,866
Camrose and Area Lodge Authority		**157,500**		144,375
Parkland Foundation		**93,573**		91,823
Flagstaff Regional Housing Group		**61,500**		61,500
	$	**1,197,364**	$	1,178,313

These transactions were in the normal course of operations and were recorded at the exchange amount, which is the amount agreed upon by the related parties.

14. Local Authorities Pension Plan

Employees of the Bethany Group participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The plan is financed by employer and employee contributions, as well as investment earnings of the LAPP Fund.

Contributions for current service are recorded as an expense in the year in which they become due.

The Bethany Group is required to make current service contributions to the plan at a rate of 8.45% (2021 – 9.39%) of employees' pensionable earnings up to $64,900, and 12.80% (2021 – 13.84%) on pensionable earnings above this amount. Contributions to the Local Authorities Pension Plan in the reporting period by the Bethany Group totaled $2,127,978 (2021 - $2,396,460). At December 31, 2020 the Plan disclosed an actuarial surplus of approximately $5 billion.

15. Financial Instruments

The Organization maintains a risk management framework to monitor, evaluate, and manage the principal risks assumed with financial instruments. The risks that arise from financial instruments include credit, liquidity, and market risk; market risk arises from changes in interest rates and other price risks.

Credit risk
The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its receivables. The Organization does not obtain collateral or other security to support the receivables subject to credit risk, and does not anticipate significant loss for non-performance beyond that already provided for as an allowance for doubtful accounts.

Market risk
The Organization's financial instruments expose it to market risk, in particular interest rate risk and other price risk, resulting from its operations.

The Organization has investments that bear interest at a fixed rate and therefore is exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Organization is exposed to other price risk on its investment in equities quoted in an active market since changes in market prices could result in changes in the fair value of these instruments. The Organization's mortgages payable bear interest at a fixed rate and therefore is exposed to the risk of changes in interest rates upon renewal. The Organization does not use derivate financial instruments to alter the effects of this risk.

Liquidity risk
Liquidity risk is the risk that the Organization may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The Organization is exposed to liquidity risk through its life lease obligations and general operations, as well as being dependent on the receipt of funds from a variety of sources, whether in the form of revenue or advances.

16. The Bethany Group (Camrose) Foundation – balance sheet

The Bethany Group (Camrose) Foundation was incorporated on February 17, 2011 under the Alberta Societies Act. The Directors of the Foundation are also members of the Governing Board of the Bethany Nursing Home of Camrose, Alberta, and as such, control the Foundation. The Foundation is a registered Charity under the Income Tax Act. The foundation is consolidated in these financial statements, however have been itemized below as well as in the schedules subsequent to the notes to the consolidated financial statements.

	2022	2021
Assets		
Cash and cash equivalents	**$ 1,125,188**	$ 984,356
Accounts receivable	**87,076**	6,213
Long-term investments	**636,250**	832,482
	1,848,514	1,823,051
Liabilities		
Accounts payable and accrued liabilities	**$ -**	$ 16,456
Deferred contributions	**750,782**	748,907
	750,782	765,363
Net Assets		
Unrestricted net assets	**828,217**	870,514
Internally restricted net assets	**269,515**	187,174
	1,097,732	1,057,688
	$ 1,848,514	$ 1,823,051

17. Uncertainty due to COVID-19

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on business through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Organization's operations were impacted by COVID-19 due to matters such as reduced resident levels and certain operational changes that were required due to COVID restrictions.

The impact of COVID-19 has been partially offset by available government programs for which the Organization was eligible. Eligibility requirements under these programs have evolved since first announced and can be subject to changes in legislation or administrative positions, further, there is significant uncertainty of the period of time into the future that the Government will continue these programs.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this 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 the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may negatively impact the Organization's operations and financial condition.

18. Comparative figures

Certain figures from the prior period were reclassified to conform with the current year presentation.

	2022 (unaudited)	2021 (unaudited)
Revenue		
Donations	**$ 109,063**	$ 74,700
Investment income	**1,209**	17,423
	110,272	92,123
Expenses		
Material and services	**70,228**	67,721
Excess of revenue over expenses	**$ 40,044**	$ 24,402

	2022 (unaudited)	2021 (unaudited)
Revenue		
Resident and others client fees	**$ 463,312**	$ 531,811
Recoveries, rebates and other services	**4,485**	3,799
Special project funding	**256,462**	233,490
	724,259	769,100
Expenses		
Wages	**371,400**	423,134
Benefits	**85,832**	94,501
Material and services	**333,280**	316,448
	790,512	834,083
Deficiency of revenue over expenses before other items	**(66,253)**	(64,983)
Other items		
Transfer from Camrose and Area Lodge Authority	**187,500**	146,250
Interest on long term debt	**(139,654)**	(146,150)
Amortization of deferred capital contributions	**135,850**	133,250
Amortization of equipment	**(64,771)**	(63,819)
Amortization of buildings	**(141,983)**	(283,965)
Deficiency of revenue over expenses	**$ (89,311)**	$ (279,417)