

Kings Regional Rehabilitation Centre

Waterville, Nova Scotia

Financial Statements

March 31, 2022

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Independent Auditor's Report

To the Directors of Kings Regional Rehabilitation Centre

Opinion

We have audited the accompanying consolidated financial statements of **Kings Regional Rehabilitation Centre**, which comprise the statement of financial position as at March 31, 2022, and the statement of operations, statement of net financial assets and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **the Kings Regional Rehabilitation Centre**, as at March 31, 2022, and the results of operations and changes in net financial assets for the year then ended, in accordance with Canadian public sector accounting standards.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 Entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Berwick, Nova Scotia
September 8, 2022

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Chartered Professional Accountants
Registered Municipal Auditor

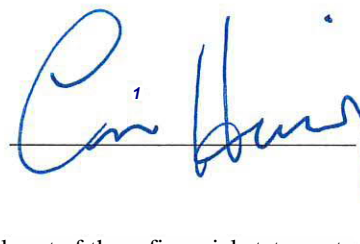
KINGS REGIONAL REIMBILITATION CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

FINANCIAL ASSETS	Operating Fund	Capital Assets Fund	TOTAL 2022	TOTAL 2021
Current				
Cash	\$ 1,207,230	\$ -	\$ 1,207,230	\$ 502,665
Capital Bank - Ln Trust (note 3)	-	1,034	1,034	1,034
Receivables - net of allowances (note 4)	1,010,423	-	1,010,423	2,014,300
Receivable from operating fund	-	202,084	202,084	284,609
Receivable from trust fund	391,428	-	391,428	169,292
Receivable from Apple Tree Foundation	36,247	-	36,247	689
	<u>2,645,328</u>	<u>203,118</u>	<u>2,848,446</u>	<u>2,972,589</u>
FINANCIAL LIABILITIES				
Current				
Payable and accruals trade	901,803	-	901,803	1,831,386
Payable - government remittances	364,632	-	364,632	382,973
Payroll accrual	315,997	-	315,997	245,967
Vacation pay accrual	1,259,690	-	1,259,690	1,379,034
Payable to Capital Fund	202,084	-	202,084	284,609
Deferred revenue	165,514	-	165,514	27,128
Short Term Financing	-	-	-	150,000
Current portion, long-term debt	-	98,815	98,815	98,175
Long Term				
Sick leave benefit liability (note 16)	1,513,400	-	1,513,400	1,446,500
Capital leases (note 8)	-	15,860	15,860	39,441
Long term (note 9)	-	605,708	605,708	492,711
	<u>4,723,120</u>	<u>720,883</u>	<u>5,443,503</u>	<u>6,377,923</u>
NET FINANCIAL ASSETS (LIABILITIES)	<u>(2,077,792)</u>	<u>(517,265)</u>	<u>(2,595,087)</u>	<u>(3,405,334)</u>
NON FINANCIAL ASSETS (LIABILITIES)				
Deferred Interest - Capital lease	-	6,020	6,020	10,490
Inventory of supplies at costs (note 5)	151,419	-	151,419	225,206
Prepaid expenses	107,750	-	107,750	98,949
Property, plant and equipment (note 6)	-	3,159,797	3,159,797	2,675,903
Deferred contributions (note 10)	-	(2,475,026)	(2,475,026)	(1,968,384)
	<u>259,169</u>	<u>690,791</u>	<u>949,960</u>	<u>1,042,164</u>
NET ASSETS / (LIABILITIES)	<u>(1,818,623)</u>	<u>173,526</u>	<u>(1,645,097)</u>	<u>(2,363,170)</u>
SURPLUS (DEFICIT)				
Unrestricted Net Assets, operating fund	(1,818,623)	-	(1,818,623)	(2,586,495)
Reserves	-	34,171	34,171	19,953
Invested in Capital Assets	-	139,355	139,355	203,372
	<u>\$ (1,818,623)</u>	<u>\$ 173,526</u>	<u>\$ (1,645,097)</u>	<u>\$ (2,363,170)</u>

COMMITMENTS (note 12)

Approved on behalf of the Board

 Director

 Director

The accompanying notes are an integral part of these financial statements

KINGS REGIONAL REHABILITATION CENTRE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (LIABILITIES)
YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
ANNUAL SURPLUS (DEFICIT)	\$ 718,072	\$ (1,089,211)
ADD (DEDUCT):		
Acquisition of tangible capital assets	(1,013,799)	(879,405)
Amortization of tangible capital assets	529,905	471,938
(Use) acquisition of Deferred contributions	506,642	257,157
Use (acquisition) of prepaid assets	<u>69,457</u>	<u>(15,869)</u>
INCREASE IN NET ASSETS (LIABILITIES)	<u>810,277</u>	<u>(1,255,390)</u>
NET FINANCIAL ASSETS (LIABILITIES), beginning of year	(3,405,334)	(2,149,944)
NET FINANCIAL ASSETS (LIABILITIES), end of year	<u>\$ (2,595,057)</u>	<u>\$ (3,405,334)</u>

The accompanying notes are an integral part of these financial statements

**KINGS REGIONAL REHABILITATION CENTRE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2022**

	Operating Fund		Total	
	Budget 2022	Actual 2022	2022	2021
Revenue				
Nova Scotia Department of Community Services - Early Retirement Funding	\$ 25,382,550	\$ 26,103,514	\$ 24,666,102	\$ 24,666,102
Nova Scotia Department of Community Services - Essential Workers Bonus	-	-	744,425	744,425
Nova Scotia Department of Community Services - Retro Pay	-	-	1,079,733	1,079,733
Nova Scotia Department of Community Services - Prior Year Deficit Funding	-	502,024	1,697,333	1,697,333
Children Small Options	4,510,111	4,379,641	4,053,548	4,053,548
Nova Scotia Medical Services Insurance	150,000	131,053	126,472	126,472
Salary Recovery - extra staffing	-	3,031,489	3,244,040	3,244,040
Pension and private paying	315,000	376,174	320,586	320,586
Social Enterprises	212,500	282,929	182,052	182,052
Apple Tree Foundation	20,000	20,004	11,669	11,669
Miscellaneous	25,000	82,480	50,539	50,539
Investment income	-	6,154	7,423	7,423
Gain on sale of capital assets	-	-	-	4,087
Revenue related to amortization of deferred contribution	30,615,164	31,915,162	36,183,921	490,032
Expenditures				
Client programs (page 4)	21,506,706	21,650,632	26,818,130	26,818,130
General services (page 4)	6,108,558	6,122,850	6,664,296	6,664,296
Early Retirement Payout	-	-	722,011	722,011
Essential Workers Bonus	-	-	1,081,678	1,081,678
Retro Pay	-	-	1,891,055	1,857,188
Sick leave benefit expense	-	1,009	17,800	73,100
Extraordinary items	-	-	-	1,009
Capital debt interest and other charges	-	-	-	61,290
Amortization of capital assets	30,615,164	31,111,591	31,729,394	31,930
Excess of Revenue over Expenditures	(Expenditures over Revenue)	767,561	(1,079,373)	71,767,281

The accompanying notes are an integral part of these financial statements

**KINGS REGIONAL REHABILITATION CENTRE
STATEMENT OF EXPENDITURES
OPERATING FUND**

YEAR ENDED MARCH 31, 2022

	2022		2021	
	Salaries Wages and Benefits	Supplies and Expenses	Actual Total	Actual Total
Client programs				
In-Centre	16,197,221	858,979	17,056,200	16,251,092
Community options	6,810,586	767,294	7,577,880	7,158,169
Social Enterprises	1,120,169	309,512	1,429,681	1,281,652
Clinical support services	1,566,071	99,760	1,665,831	1,657,877
Nova Scotia Medical Services Insurance (MSD)		131,053	121,058	126,950
	<u>23,680,037</u>	<u>2,166,598</u>	<u>25,846,635</u>	<u>26,818,110</u>
General Services				
Administration	1,286,403	455,893	1,742,296	2,104,732
Food services	1,210,934	591,943	1,802,877	1,792,022
Environmental services	941,826	168,480	1,110,306	1,173,278
Plant services	892,163	875,208	1,767,371	1,594,265
	<u>4,331,326</u>	<u>5,091,524</u>	<u>9,422,897</u>	<u>6,166,296</u>

The accompanying notes are an integral part of these financial statements

**KINGS REGIONAL REHABILITATION CENTRE
CONSOLIDATED STATEMENT OF CASH FLOWS
OPERATING AND CAPITAL FUND**

YEAR ENDED MARCH 31, 2022

	<u>Operating</u>	<u>Capital</u>	<u>Total 2022</u>	<u>Total 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess revenues over (expenditures)	\$ 767,871	\$ (49,799)	\$ 718,072	\$ (1,089,212)
Non-cash amortization	-	529,905	529,905	471,938
Non-cash amortization - deferred contributions	-	(362,438)	(362,438)	(344,302)
Loss on disposal of assets	-	-	-	-
Gain on disposal of assets	-	(14,217)	(14,217)	(4,087)
Changes in non-cash accoLults	(63,306)	82,526	19,220	874,002
Net cash generated (used in) operating activities	704,565	185,977	890,542	(91,661)
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES				
Transfer to capital fi d				
Proceeds of long term debt		194,806	194,806	80,508
Proceeds of short term financing				150,000
Proceeds from capital leases				
Proceeds from disposal of assets		14,217	14,217	4,087
Purchase of capital assets		(1,013,799)	(1,013,799)	(879,405)
Increase / (decrease) in deferred contributions		869,079	869,079	601,463
(Increase) / decrease in deferred interest		4,470	4,470	4,471
Capital lease payments		(30,866)	(30,866)	(30,866)
Loan payments		(223,884)	(223,884)	(84,244)
Net cash used in financing activities		(185,977)	(185,977)	(153,987)
NET INCREASE (DECREASE) IN CASH	704,565		704,565	(245,648)
CASH AT BEGINNING OF YEAR	502,665	1,034	503,699	749,347
CASH AT END OF YEAR	<u>\$ 1,207,230</u>	<u>\$ 1,034</u>	<u>\$ 1,208,264</u>	<u>\$ 505,599</u>

Use accompanying notes are an integral part of these financial statements

**KINGS REGIONAL REHABILITATION CENTRE
CAPITAL RESERVE FUND
STATEMENT OF FINANCIAL POSITION**

YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
Due from operating fund	\$ <u>34,171</u>	\$ <u>19,953</u>
NET ASSETS		
Reserve	\$ <u>34,171</u>	\$ <u>19,953</u>

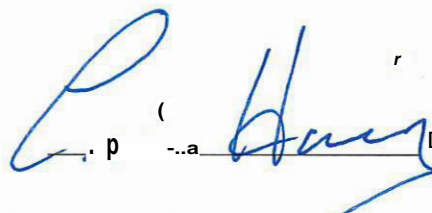
STATEMENT OF CAPITAL RESERVE FUND

YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
Balance, beginning of the year	\$ 19,953	\$ 37,310
ADD (Deduct):		
Sale of 2007 Dodge Caravan	174	-
Sale of 2008 Dodge Caravan	565	-
Sale of 2011 Dodge Caravan	1,304	-
Sale of 2006 Dodge Ram Truck	1,305	-
Sale of 2014 Ford Cutaway Van	10,870	-
Sale of 2010 Dodge Caravan	-	435
Sale of 2009 Ford F150	-	3,652
Purchase of Screening Station	-	(5,840)
Purchase of Mobile Lift	-	(8,069)
Purchase of 3 Door Freezer	-	(7,535)
Balance, end of the year	<u>\$ 34,171</u>	<u>\$ 19,953</u>

Approved on behalf of the Board

 Director

 Director

The accompanying notes are an integral part of these financial statements

**KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022**

1. PURPOSE OF THE ORGANIZATION

The Kings Regional Rehabilitation Centre is an accredited facility operating programs for the intellectually challenged, adult residential care, and rehabilitation support for residents of Nova Scotia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Revenue Recognition**

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

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

Revenue and expenses related to program delivery and administrative activities are reported in the operating fund.

(b) **Property, plant and equipment**

Purchases of property, plant and equipment assets are recorded at cost. Contributed property, plant and equipment assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis at the following annual rates:

Buildings	5%
Computer Equipment, after 2005	20%
Leasehold Improvements	10%
Main Centre building improvements since 2000	10%
Major equipment	10%
Motor vehicles	14.5%
Parking Lot	10%

The property, plant and equipment fund reports the assets, liabilities, revenue and expenses related to the Centre's property, plant and equipment additions and disposal.

(c) **Client Trust Funds and Special Purpose Fund**

The Centre maintains and administers funds on behalf of the residents. These trust funds have specific external restrictions using guidelines established by the Nova Scotia Provincial Department of Community Services.

(d) **Income Taxes**

The Centre is a registered health care facility and accordingly, is exempt from paying income taxes.

(e) **Use of Estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that reflect the reported amounts of assets and liabilities of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

(f) **Financial Instruments**

The carrying amounts of short-term investments, account receivable, bank demand loans, accounts payable and deferred revenue approximate the fair value because of the near-term maturity of those instruments. The fair value of long-term debt is not significantly different than the book value.

(g) **Credit Risk**

The Centre does not have a significant exposure to any individual customer or counter party other than those federal and provincial government departments reported in note 4.

KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

3. INFRASTRUCTURE GRANT HELD IN TRUST

The Department of Community Services has committed to a one-time infrastructure grant of \$3,250,000 that will be held in trust with Don Fraser, Barrister and Solicitor, Kentville, Nova Scotia. The balance as at March 31, 2022 is \$1,034.

4. RECEIVABLES

	<u>2022</u>	<u>2021</u>
Nova Scotia Department of Community Services	\$ 388,832	\$ 730,807
Nova Scotia Family and Children Services	482,227	1,083,461
Nova Scotia Medical Services Insurance	22,881	24,420
Department of Health	-	21,092
Programs - Apple Tree Industries	5,613	12,841
Employee	35,751	46,727
Canada Revenue Agency - Harmonized Sales Tax Rebate	62,458	59,149
Other	12,661	35,804
	<u>\$ 1,010,423</u>	<u>\$ 2,014,300</u>

5. INVENTORY OF SUPPLIES, at cost

Environmental	\$ 18,030	\$ 14,494
Medical	24,989	61,850
Office	6,086	5,564
Personal care	18,840	23,512
Dietary - Food & Other Supplies	37,157	34,242
Fuel	22,336	20,006
Pharmacy - OTC	7,670	57,169
Plank industries	9,874	8,370
Friendly Neighbours	6,437	-
	<u>\$ 151,419</u>	<u>\$ 225,206</u>

KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

6. PROPERTY, PLANT AND EQUIPMENT

	<u>2022</u>			<u>2021</u>
	<u>Costs</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building improvements	\$ 6,025,946	\$ 5,078,948	\$ 946,998	\$ 834,242
Building , Rainforth Property	329,359	273,322	56,228	72,695
Building, Waterville Property	310,044	211,969	98,075	113,578
Building, Plank Industries	643,804	278,013	365,791	397,981
Building, Greenhouse	51,626	41,301	10,325	15,488
Building, Corner Store	215,429	24,907	190,522	201,293
Building, KRRC Property	927,686	63,776	863,910	330,441
Equipment	2,058,201	1,743,351	314,850	381,260
Motor Vehicles	635,391	422,004	213,388	188,860
Leasehold Improvements	70,737	39,420	31,317	37,031
Computer Equipment	411,996	372,038	39,958	70,524
Parking Lot	81,490	53,054	28,436	32,510
	<u>\$ 11,761,708</u>	<u>\$ 8,601,911</u>	<u>\$ 3,159,797</u>	<u>\$ 2,675,903</u>

7. BANK INDEBTEDNESS

The Centre has a \$500,000 operating loan facility which bears interest at CIBC prime rate. The operating loan facility is subject to annual renewal and is unsecured.

8. CAPITAL LEASES

	<u>2022</u>	<u>2021</u>
Dell Capital Lease, payable in monthly installment of \$1,004.35 maturing in July 2022, secured by 36 Dell Optiplex computers	\$ 3,643	\$ 14,572
Capital Lease, payable in monthly installment of \$679.80 maturing in May 2023, secured by 29 Dell Optiplex computers	8,630	16,028
Dell Capital Lease, payable in monthly installment of \$1,522.23 maturing in May 2024, secured by 39 Dell Optiplex computers	27,167	39,706
	<u>39,440</u>	<u>70,306</u>
Less amount reported in current liabilities	<u>23,579</u>	<u>30,865</u>
	<u>\$ 15,861</u>	<u>\$ 39,441</u>

KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

8. CAPITAL LEASES (continued)

Capital lease repayments during each of the next three years are as follows:

2023	\$ 23,579
2024	" 771
2025	2,090

9. LONG TERM DEBT

	<u>2022</u>	<u>2021</u>
5.27% Nova Scotia Housing Development Corporation, payable in monthly installments of \$2,004.85 maturing November 2024 secured by property at 5580 Highway 1, Cambridge, Nova Scotia	S 59,773	\$ 80,135
1.285% to 4.114% term loan maturing in November 2028, payable in annual installments of \$22,000 and accrued interest. Secured by borrowing resolution of the Nova Scotia Municipal Finance Corp	378,972	401,211
0.40% to 2.376% term loan maturing in May 2028, payable in annual installments of \$7,500 and accrued interest. Secured by borrowing resolution of the Nova Scotia Municipal Finance Corp	150,956	-
4.98% Scotiabank, payable in monthly installment of \$566.00 maturing in December 2021, secured by 2017 Dodge Grand Caravan	-	4,989
4.98% Scotiabank, payable in monthly installment of \$566.00 maturing in December 2021, secured by 2017 Dodge Grand Caravan	-	4,989
5.84% Ford Credit, payable in monthly installment of \$89-4.08 maturing in May 2025, secured by 2020 Ford F150	30,950	39,595
6.14% Scotiabank, payable in monthly installment of \$661.14 maturing in May 2025, secured by 2020 Dodge Grand Caravan	22,779	29,103
5.69% RBC, payable in monthly installment of \$859.77 maturing in April 2026, secured by 2021 Dodge Grand Caravan	37,514	-
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	680,944	560,022
Less amount reported in current liabilities	75,236	67,311
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	S 605,708	\$ 492,711
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KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

9. LONG TERM DEBT (continued)

Long-Term debt repayments during each of the next five years are as follows:

2023	\$ 75,236
2024	77,846
2025	72,531
2026	42,546
2027	30,356

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions the Centre has acquired. Amortization of deferred contributions related to capital assets is provided on a straight-line basis over the estimated years of useful service to the Centre. The changes in the deferred contributions balance for the year are as follows:

	<u>2022</u>	<u>2021</u>
Balance at beginning of year	\$1,968,384	\$1,711,224
Add: contribution, net of disposals	869,080	601,462
Less: amount amortized to revenue	<u>(362,438)</u>	<u>(344,302)</u>
Balance at end of year	<u>\$ 2,475,026</u>	<u>\$ 1,968,384</u>

11. PENSION PLAN

The Centre participates in the Health Association Nova Scotia multi-employer defined benefit pension plan. Pension obligations are funded with independent trustees in accordance with legal requirements. The total cost of the pension plan for 2022 and 2021 was \$1,729,420 and \$1,854,692 respectively.

KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

12. COMMITMENTS

The Centre has entered into the following lease agreements:

	<u>Payments</u>	<u>Expiry</u>	<u>Annual Payments</u>
Bruce Auto Leasing – Chev Silverado 2018	60	December 2022	\$6,392
Bruce Auto Leasing – Chev Equinox 2019	60	August 2024	5074
Bruce Auto Leasing – Chev Equinox 2021	60	April 2026	5,644
Bruce Auto Leasing - Grand Caravan 2019	60	March 2027	6,647
Pothier Motors – Grand Caravan 2021	60	May 2027	7,128
DeLage Landen – Postage Machine	66	June 2027	904
LBC Capital - Sharp photocopier	66	July 2027	3,625
LBC Capital - Sharp photocopier	66	January 2025	5,810
Adult Options Program facility lease	60	September 2022	20,136
Adult Options Program facility lease	60	November 2027	32,279
Small Options Program facility lease	60	September 2022	20,136
Small Options Program facility lease	60	September 2022	19,958
Small Options Program facility lease	60	September 2022	31,403
Small Options Program facility lease	60	September 2022	27,361

13. SIGNIFICANT INFLUENCE AND ECONOMIC DEPENDENCE

The Municipality of the County of Kings appoints a majority of the members to the Board of Directors and exercises a significant influence over the overall operation of the Centre.

The Centre receives funding from the Department of Community Services and is dependent upon the provision of appropriations of funds. Without these appropriations, the Centre would be unable to meet the terms of its mandate.

The object of the Apple Tree Foundation is to assist in the funding for capital and/or operating programs of the Centre which are not fully funded by other services and are authorized by the Board of Directors of the Kings Regional Rehabilitation Centre. In addition, the Foundation provides support for the development of new or expanded programs in keeping with the objectives of the Kings Regional Rehabilitation Centre.

14. TRANSACTIONS WITH RELATED PARTIES

Related parties consist of The Apple Tree Foundation and the Municipality of the County of Kings.

Transactions with these related parties include:

	<u>2022</u>	<u>2021</u>
Apple Tree Foundation		
Payroll and benefits charged	\$ 20,004	\$ 11,669
Cash contribution received toward the purchase of equipment	42,114	9,527
Municipality of the County of Kings		
Board honoraria	10,500	10,800

The above reflect market values. All balances payable from Apple Tree Foundation are non-interest bearing and have no set repayment terms.

**KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022**

IS. CHANGES IN FUND POSITION

	Unrestricted Operating Fund	Invested in Capital Assets	Total 2022	Total 2021
Fund Balance, beginning of year	113 (2,586,494)	\$ 223,325	\$ (2,363,169)	\$ (1,273,959)
Excess of expenditures over revenue	767,871	(49,799)	718,072	(1,089,211)
Fund Balance at end of Year	<u>\$ (1,818,623)</u>	<u>\$ 173,526</u>	<u>\$ (1,645,097)</u>	<u>\$ (2,363,170)</u>

16. SICK LEAVE ACCRUAL

The Centre has recognized in these financial statements, the liability associated with the accumulated sick leave earned by staff. These amounts have been determined by an independent actuary (Ekler Ltd). To determine the 2019-20 expenses, the actuary extrapolated the results of the March 31, 2017 valuation to March 31, 2021, using the same assumptions. The assumptions are management's best estimates. The calculations were prepared assuming the future usage of excess sick days is based on actual staff usage at the Centre.

	<u>2022</u>	<u>2021</u>
Accrued benefit obligation, beginning of year	\$1,446,500	\$1,434,300
Current period benefit cost	245,900	236,400
Employee benefit interest expense	73,100	72,800
Actuarial (gains) losses	33,300	33,300
Benefit payments	<u>(285,400)</u>	<u>(330,300)</u>
Accrued benefit obligation, end of period	<u>\$,513,400</u>	<u>\$1,446,200</u>

These actuarial valuations were based on assumption about future events. The economic assumptions used in these valuations are the Centre's best estimate of rate of:

	<u>2022</u>	<u>2021</u>
Discount Rate	4%	4%
Rate of compensation increase	2%	2%
Retirement age	60	60
Expected sick time usage	9.3 days	9.3 days
Expected sick leave accrual is 18 days less expected current sick leave usage	8.7 days	8.7 days

Sick leave bank Utilization for March 31, 2021 and future year results:

<u>Age Group</u>	<u>Probability of Usage</u>	<u>Sick Bank Days Used</u>
Under 30	26.2%	5.1 days
30-39	30.0%	11.6 days
40-49	35.7%	10.8 days
50-59	30.0%	12.2 days
60 & over	28.7%	24.5 days

Sick leave bank utilization assumption developed from an analysis of the sick leave usage of the same population of Nova Scotia health care workers from April 1, 2017 to January 31, 2020.

The loss on the accrued benefit for March 31, 2020 is \$399,700. This will be amortized over the expected average remaining service life (12 years at \$33,300 per year).

**KINCS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022**

17. BOARD MEMBERS, OFFICERS AND EMPLOYEES, CONTRACTORS AND CONSULTANTS

For the year ended March 31, 2022, the following board members, officers and employees received compensation of \$100,000 or more:

<u>Name</u>	<u>Compensation Paid</u>
Faith Santos	\$135,214
Susan Hines-Kennedy	\$131,672
Jacquelyn Levy	\$112,803
Tammy Ramsey	\$108,440
Shelia Swimmer	\$106,520

18. COMPARATIVE FIGURES


Certain of the 2021 comparative figures have been restated to conform to the financial statement presentation for 2022.

KINGS REGIONAL REHABILITATION CENTRE
SCHEDULE OF TRUST BALANCES
YEAR ENDED MARCH 31, 2022

ASSETS	<u>2022</u>	<u>2021</u>
Current		
Restricted cash	<u>\$ 1,179,684</u>	<u>\$ 1,000,160</u>
 LIABILITIES		
Current		
Payable to operating fund	391,428	169,292
Payable and accruals	<u>14,361</u>	<u>7,386</u>
	<u>405,789</u>	<u>176,678</u>
 FUND BALANCES		
Externally restricted, client fund	731,964	788,376
Externally restricted, client unit funds	27,519	24,276
Externally restricted, client special purpose fund	<u>14,412</u>	<u>10,829</u>
	<u>\$ 1,179,684</u>	<u>\$ 1,000,160</u>

Approved on behalf of the Board

Director  _____

Director  _____

KINGS REGIONAL REHABILITATION CENTRE
SCHEDULE OF TRUST BALANCES
 CHANGES IN FUND BALANCES
 YEAR ENDED MARCH 31, 2022

CLIENT TRUST FUNDS	<u>2022</u>	<u>2021</u>
Receipts		
Pension and residents' funds	\$ 1,023,944	\$ 976,770
Personal use allowances	252,080	251,965
Clothing	65,040	5,400
Investment income	6,025	5,883
	<u>1,347,089</u>	<u>1,240,018</u>
Disbursements		
Personal use	290,638	327,048
Clothing	65,301	21,392
Medical	10,045	19,856
Board and care, paid to Kings Regional Rehabilitation Centre	921,767	758,427
Upon Discharge	115,750	8,821
	<u>1,403,501</u>	<u>1,135,546</u>
Excess of receipts over disbursements	(56,412)	104,472
Fund balance, beginning of year	<u>788,376</u>	<u>683,904</u>
FUND BALANCE, END OF YEAR	<u>\$ 731,964</u>	<u>\$ 788,376</u>
 SPECIAL PURPOSE FUND		
Receipts		
Canteen sales	\$ 25,568	\$ 21,604
	<u>25,568</u>	<u>21,604</u>
Approved expenditures		
Canteen purchases	21,080	15,993
Special activities	905	2,589
	<u>21,985</u>	<u>18,582</u>
Excess of receipts over disbursements	3,582	3,022
Fund balance, beginning of year	<u>10,829</u>	<u>7,808</u>
FUND BALANCE, END OF YEAR	<u>\$ 14,411</u>	<u>\$ 10,829</u>
 UNIT FUNDS		
Receipts		
Special activities	\$ 9,019	\$ 16,054
Approved expenditures		
Special activities	<u>5,776</u>	<u>3,889</u>
Excess (deficiency) of receipts over disbursements	3,243	12,164
Fund balance, beginning of year	<u>24,275</u>	<u>12,111</u>
FUND BALANCE, END OF YEAR	<u>\$ 27,519</u>	<u>\$ 25,275</u>