

**Kings Regional Rehabilitation Centre**

**Waterville, Nova Scotia**

**Financial Statements**

**March 31, 2023**

## Contents

	<b>Page</b>
Independent Auditors' Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Changes in Net Financial Assets (Liabilities)	4
Consolidated Statement of Operations	5
Statement of Expenditures Operating Fund	6
Consolidated Statement of Cash Flows	7
Statement of Financial Position - Capital Reserve Fund	8
Notes To Financial Statements	9-16
Schedule of Trust Fund Balances	17
Changes in Trust Fund Balances	18

# **Morse Brewster Lake**

Chartered Professional Accountants

P.O. Box 718  
158 Commercial Street  
Berwick, NS  
B0P 1E0  
Tel: (902) 538-8531  
Fax: (902) 538-7610  
Email: [info@mblecpa.ca](mailto:info@mblecpa.ca)

## **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, 2023, 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, 2023, 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.

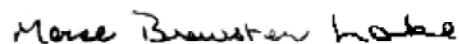
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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  
June 26, 2023



Chartered Professional Accountants  
Registered Municipal Auditor

**KINGS REGIONAL REHABILITATION CENTRE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Operating Fund	Capital Assets Fund	TOTAL 2023	TOTAL 2022
<b>FINANCIAL ASSETS</b>				
<b>Current</b>				
Cash	\$ 1,700,967	\$ -	\$ 1,700,967	\$ 1,207,230
Capital Bank - In Trust	-	-	-	1,034
Receivables - net of allowances (note 4)	3,384,397	-	3,384,397	1,010,423
Receivable from operating fund	-	378,820	378,820	202,084
Receivable from trust fund	159,102	-	159,102	391,428
Receivable from Apple Tree Foundation	6,844	-	6,844	36,247
	<u>5,251,310</u>	<u>378,820</u>	<u>5,630,130</u>	<u>2,848,446</u>
<b>FINANCIAL LIABILITIES</b>				
<b>Current</b>				
Payable and accruals trade	909,991	-	909,991	901,803
Payable - government remittances	385,098	-	385,098	364,632
Payroll accrual	2,558,399	-	2,558,399	315,997
Vacation pay accrual	1,308,417	-	1,308,417	1,259,690
Payable to Capital Fund	378,820	-	378,820	202,084
Deferred revenue	117,410	-	117,410	165,514
Short Term Financing	-	-	-	-
Current portion, long-term debt	-	91,617	91,617	98,815
<b>Long Term</b>				
Sick leave benefit liability (note 16)	1,609,700	-	1,609,700	1,513,400
Capital leases (note 8)	-	2,089	2,089	15,860
Long term (note 9)	-	527,598	527,598	605,708
	<u>7,267,835</u>	<u>621,304</u>	<u>7,889,139</u>	<u>5,443,503</u>
<b>NET FINANCIAL ASSETS (LIABILITIES)</b>	<u>(2,016,525)</u>	<u>(242,484)</u>	<u>(2,259,009)</u>	<u>(2,595,057)</u>
<b>NON FINANCIAL ASSETS (LIABILITIES)</b>				
Deferred Interest - Capital lease	-	2,523	2,523	6,020
Inventory of supplies at costs (note 5)	175,991	-	175,991	151,419
Prepaid expenses	139,186	-	139,186	107,750
Property, plant and equipment (note 6)	-	2,936,208	2,936,208	3,159,797
Deferred contributions (note 10)	-	(2,524,659)	(2,524,659)	(2,475,026)
	<u>315,177</u>	<u>414,072</u>	<u>729,249</u>	<u>949,960</u>
<b>NET ASSETS / (LIABILITIES)</b>	<u>\$ (1,701,348)</u>	<u>\$ 171,588</u>	<u>\$ (1,529,760)</u>	<u>\$ (1,645,097)</u>
<b>SURPLUS (DEFICIT)</b>				
Unrestricted Net Assets, operating fund	(1,701,348)	-	(1,701,348)	(1,818,623)
Reserves	-	15,399	15,399	34,171
Invested in Capital Assets	-	156,189	156,189	139,355
	<u>\$ (1,701,348)</u>	<u>\$ 171,588</u>	<u>\$ (1,529,760)</u>	<u>\$ (1,645,097)</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, 2023**

	<u>2023</u>	<u>2022</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 115,339</b>	<b>\$ 718,072</b>
ADD (DEDUCT):		
Acquisition of tangible capital assets	(210,128)	(1,013,799)
Amortization of tangible capital assets	421,203	529,905
Loss on disposal of assets	12,512	-
(Use) acquisition of Deferred contributions	49,633	506,642
Use (acquisition) of prepaid assets	<u>(52,511)</u>	<u>69,457</u>
<b>INCREASE IN NET ASSETS (LIABILITIES)</b>	<b><u>336,048</u></b>	<b><u>810,277</u></b>
<b>NET FINANCIAL ASSETS (LIABILITIES), beginning of year</b>	<b>(2,595,057)</b>	<b>(3,405,334)</b>
<b>NET FINANCIAL ASSETS (LIABILITIES), end of year</b>	<b><u>\$ (2,259,009)</u></b>	<b><u>\$ (2,595,057)</u></b>

The accompanying notes are an integral part of these financial statements

**KINGS REGIONAL REHABILITATION CENTRE  
CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2023**

	Operating Fund		Capital Fund		Total	
	Budget	Actual	2023	2022	2023	2022
	2023	2023				
<b>Revenue</b>						
Nova Scotia Department of Community Services	\$ 25,407,198	\$ 25,994,073	\$ 26,103,514	\$ -	\$ 25,994,073	\$ 26,103,514
Nova Scotia Department of Community Services - Recognition and Retention Incentive		\$ 2,107,832	-	-	2,107,832	-
Nova Scotia Department of Community Services - Affordability Measures Grant		401,779	-	-	401,779	-
Nova Scotia Department of Community Services - Prior Year Deficit Funding		-	502,024	-	-	502,024
Children Small Options	4,554,267	4,474,439	4,379,641	-	4,474,439	4,379,641
Nova Scotia Medical Services Insurance	150,000	135,956	131,053	-	135,956	131,053
Salary Recovery - extra staffing		2,587,870	3,031,489	-	2,587,870	3,031,489
Pension and private paying	355,000	370,180	376,174	-	370,180	376,174
Social Enterprises	212,500	408,114	282,929	-	408,114	282,929
Apple Tree Foundation	20,000	20,004	20,004	-	20,004	20,004
Miscellaneous	60,000	90,512	82,480	-	90,512	82,480
Investment income		53,416	6,154	-	53,416	6,154
Gain on sale of capital assets			-	14,217	-	14,217
Revenue related to amortization of deferred contribution			-	499,425	-	499,425
	<b>30,758,965</b>	<b>36,644,176</b>	<b>34,915,462</b>	<b>461,118</b>	<b>37,105,294</b>	<b>35,429,104</b>
<b>Expenditures</b>						
Client programs (page 6)	24,594,838	27,124,384	27,650,632	-	27,124,384	27,650,632
General services (page 6)	6,164,127	7,150,277	6,422,850	-	7,150,277	6,422,850
Recognition and Retention Incentive		2,143,738	-	-	2,143,738	-
Sick leave benefit expense		75,000	73,100	-	75,000	73,100
Extraordinary Items		33,500	1,009	-	33,500	1,009
Loss on sale of capital assets		-	-	-	-	-
Capital debt interest and other charges		-	-	-	-	-
Amortization of capital assets		-	-	-	-	-
	<b>30,758,965</b>	<b>36,526,899</b>	<b>34,147,591</b>	<b>421,203</b>	<b>36,989,955</b>	<b>34,711,032</b>
Excess of Revenue over Expenditures (Expenditures over Revenue)	\$ -	<b>117,276</b>	<b>767,871</b>	<b>(1,937)</b>	<b>(49,799)</b>	<b>718,072</b>

The accompanying notes are an integral part of these financial statements

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

**YEAR ENDED MARCH 31, 2023**

	<u>2023</u>		<u>2022</u>	
	Salaries Wages and Benefits	Supplies and Expenses	Actual Total	Actual Total
<b>Client programs</b>				
In-Centre	\$ 15,618,537	\$ 963,771	\$ 16,582,308	\$ 17,056,204
Community options	6,828,933	816,190	7,645,123	7,577,880
Social Enterprises	1,201,188	406,793	1,607,981	1,429,664
Clinical support services	1,078,084	74,931	1,153,015	1,455,832
Nova Scotia Medical Services Insurance (MSI)		135,956	135,956	131,053
	<u>\$ 24,726,742</u>	<u>\$ 2,397,643</u>	<u>\$ 27,124,384</u>	<u>\$ 27,650,632</u>
<b>General Services</b>				
Administration	\$ 1,399,004	\$ 505,723	\$ 1,904,727	\$ 1,742,296
Food services	1,226,137	654,033	1,880,170	1,802,877
Environmental services	956,235	192,506	1,148,741	1,110,306
Plant services	1,014,076	1,202,564	2,216,640	1,767,371
	<u>\$ 4,595,451</u>	<u>\$ 2,554,826</u>	<u>\$ 7,150,277</u>	<u>\$ 6,422,850</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, 2023**

	<u>Operating</u>	<u>Capital</u>	<u>Total 2023</u>	Total <u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Excess revenues over (expenditures)	\$ 117,276	\$ (1,937)	\$ 115,339	\$ 718,072
Non-cash amortization	-	421,203	421,203	529,905
Non-cash amortization - deferred contributions	-	(334,808)	(334,808)	(362,438)
Loss on disposal of assets	-	12,514	12,514	-
Gain on disposal of assets	-	-	-	(14,217)
Changes in non-cash accounts	376,461	(176,734)	199,727	19,220
<b>Net cash generated (used in) operating activities</b>	<u>493,737</u>	<u>(79,762)</u>	<u>413,975</u>	<u>890,542</u>
<b>CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES</b>				
Transfer to capital fund				
Proceeds of long term debt	-	-	-	194,806
Proceeds from disposal of assets	-	-	-	14,217
Purchase of capital assets	-	(210,128)	(210,128)	(1,013,799)
Increase / (decrease) in deferred contributions	-	384,439	384,439	869,079
(Increase) / decrease in deferred interest	-	3,497	3,497	4,470
Capital lease payments	-	(23,579)	(23,579)	(30,866)
Loan payments	-	(75,500)	(75,500)	(223,884)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>78,728</u>	<u>78,728</u>	<u>(185,977)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	493,737	(1,034)	492,703	704,565
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,207,230</u>	<u>1,034</u>	<u>1,208,264</u>	<u>503,699</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 1,700,967</u>	<u>\$ -</u>	<u>\$ 1,700,967</u>	<u>\$ 1,208,264</u>

The 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, 2023**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Due from operating fund	<u>\$ 15,399</u>	<u>\$ 34,171</u>
<b>NET ASSETS</b>		
Reserve	<u>\$ 15,399</u>	<u>\$ 34,171</u>

**STATEMENT OF CAPITAL RESERVE FUND**

**YEAR ENDED MARCH 31, 2023**

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 34,171	\$ 19,953
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
Purchase of 2018 Chev Silverado	(18,772)	
Balance, end of the year	<u>\$ 15,399</u>	<u>\$ 34,171</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, 2023**

**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, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Asset Retirement Obligation**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability has occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

Any liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability would result in an accompanying increase to the respective tangible capital assets. Any increase to the tangible capital assets would be amortized in accordance with the depreciation accounting policies.

The Centre has assessed their assets and does not currently have any material asset retirement obligations and as such no increase in asset value or liability has been recognized at this time.

**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, 2023 is \$ 0.00 (2022 balance \$1,034)

**4. RECEIVABLES**

	<u>2023</u>	<u>2022</u>
Nova Scotia Department of Community Services	2,624,765	\$ 388,832
Nova Scotia Family and Children Services	562,970	482,227
Nova Scotia Medical Services Insurance	23,638	22,881
Programs - Apple Tree Industries	12,631	5,613
Employee	25,883	35,751
Canada Revenue Agency - HST Rebates	51,062	62,458
WCB Recovery	43,816	-
Insurance Proceeds	20,021	-
Other	19,612	12,661
	<u>\$ 3,384,397</u>	<u>\$ 1,010,423</u>

**5. INVENTORY OF SUPPLIES, at cost**

Environmental	\$ 22,048	\$ 18,030
Medical	20,644	24,989
Office	8,017	6,086
Personal care	20,263	18,840
Dietary - Food & Other Supplies	40,881	37,157
Fuel	20,272	22,336
Pharmacy - OTC	9,431	7,670
Plank Industries	18,971	9,874
Friendly Neighbours	9,771	6,437
House of Sprouts	5,694	-
	<u>\$ 175,991</u>	<u>\$ 151,419</u>

**KINGS REGIONAL REHABILITATION CENTRE  
NOTES TO FINANCIAL STATEMENTS (continued)  
MARCH 31, 2023**

**6. PROPERTY, PLANT AND EQUIPMENT**

	2023			2022
	<u>Costs</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building improvements	\$ 6,082,182	\$ 5,202,128	\$ 880,053	\$ 946,998
Building, Rainforth Property	329,359	289,600	39,760	56,228
Building, Waterville Property	320,994	228,019	92,976	98,075
Building, Plank Industries	643,804	310,203	333,601	365,791
Building, Greenhouse	51,626	46,463	5,163	10,325
Building, Corner Store	215,429	35,679	179,750	190,522
Building, KRRC Property	927,686	110,160	817,525	863,910
Building, Middleton Property - A	1,481	74	1,407	-
Building, Middleton Property - B	1,794	90	1,704	-
Equipment	2,044,234	1,701,406	342,829	314,850
Motor Vehicles	654,163	479,802	174,360	213,388
Leasehold Improvements	70,737	45,133	25,604	31,317
Computer Equipment	393,755	376,640	17,115	39,958
Parking Lot	81,490	57,129	24,361	28,436
	<u>\$ 11,818,733</u>	<u>\$ 8,882,524</u>	<u>\$ 2,936,208</u>	<u>\$ 3,159,797</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>2023</u>	<u>2022</u>
Dell Capital Lease, payable in monthly installment of \$1,004.35 maturing in July 2022, secured by 36 Dell Optiplex computers	\$ -	\$ 3,643
Capital Lease, payable in monthly installment of \$679.80 maturing in May 2023, secured by 29 Dell Optiplex computers	1,232	8,630
Dell Capital Lease, payable in monthly installment of \$1,152.23 maturing in May 2024, secured by 39 Dell Optiplex computers	14,628	27,167
	<u>15,860</u>	<u>39,440</u>
Less amount reported in current liabilities	13,771	23,579
	<u>\$ 2,089</u>	<u>\$ 15,861</u>

**KINGS REGIONAL REHABILITATION CENTRE  
NOTES TO FINANCIAL STATEMENTS (continued)  
MARCH 31, 2023**

**8. CAPITAL LEASES (continued)**

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

2024	\$ 13,771
2025	2,089

**9. LONG TERM DEBT**

	<u>2023</u>	<u>2022</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	\$ 38,323	\$ 59,773
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	356,718	378,972
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	143,446	150,956
5.84% Ford Credit, payable in monthly installment of \$894.08 maturing in May 2025, secured by 2020 Ford F150	21,786	30,950
6.14% Scotiabank, payable in monthly installment of \$661.14 maturing in May 2025, secured by 2020 Dodge Grand Caravan	16,057	22,779
5.69% RBC, payable in monthly installment of \$859.77 maturing in April 2026, secured by 2021 Dodge Grand Caravan	29,114	37,514
	605,444	680,944
Less amount reported in current liabilities	77,846	75,236
	<b>\$ 527,598</b>	<b>\$ 605,708</b>

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

2024	\$ 77,846
2025	72,531
2026	42,546
2027	30,356
2028	29,500

**KINGS REGIONAL REHABILITATION CENTRE  
NOTES TO FINANCIAL STATEMENTS (continued)  
MARCH 31, 2023**

**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>2023</u>	<u>2022</u>
Balance at beginning of year	\$2,475,026	\$1,968,384
Add: contribution, net of disposals	142,250	869,080
Less: amount amortized to revenue	<u>(334,808)</u>	<u>(362,438)</u>
Balance at end of year	<u>\$ 2,524,659</u>	<u>\$ 2,475,026</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 2023 and 2022 was \$1,673,151 and \$1,729,420 respectively.

**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 Equinox 2019	60	August 2024	\$5,074
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	November 2027	\$32,279
Adult Options Program facility lease	60	month-to-month	\$20,136
Small Options Program facility lease	60	month-to-month	\$20,136
Small Options Program facility lease	60	month-to-month	\$19,958
Small Options Program facility lease	60	month-to-month	\$31,403
Small Options Program facility lease	60	month-to-month	\$27,361

**KINGS REGIONAL REHABILITATION CENTRE  
NOTES TO FINANCIAL STATEMENTS (continued)  
MARCH 31, 2023**

**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:

<b>Apple Tree Foundation</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Payroll and benefits charged	\$ 20,004	\$ 20,004
Cash contribution received toward the purchase of equipment	29,372	42,114
<b>Municipality of the County of Kings</b>		
Board honoraria	9,000	10,500

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

**15. CHANGES IN FUND POSITION**

	<b>Unrestricted Operating <u>Fund</u></b>	<b>Invested in Capital <u>Assets</u></b>	<b>Total <u>2023</u></b>	<b>Total <u>2022</u></b>
Fund Balance, beginning of year	\$ (1,818,624)	\$ 173,525	\$ (1,645,099)	\$ (2,363,169)
Excess of expenditures over revenue	117,276	(1,937)	115,339	718,072
Fund Balance at end of Year	<u>\$ (1,701,348)</u>	<u>\$ 171,588</u>	<u>\$ (1,529,760)</u>	<u>\$ (1,645,097)</u>



**KINGS REGIONAL REHABILITATION CENTRE  
NOTES TO FINANCIAL STATEMENTS (continued)  
MARCH 31, 2023**

**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>2023</u>	<u>2022</u>
Accrued benefit obligation, beginning of year	<b>\$1,513,400</b>	\$1,446,500
Current period benefit cost	<b>255,700</b>	245,900
Employee benefit interest expense	<b>75,000</b>	73,100
Actuarial (gains) losses	<b>33,300</b>	33,300
Benefit payments	<b><u>(267,700)</u></b>	<b><u>(285,400)</u></b>
Accrued benefit obligation, end of period	<b><u>\$1,609,700</u></b>	<b><u>\$1,513,400</u></b>

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>2023</u>	<u>2022</u>
Discount Rate	<b>4%</b>	4%
Rate of compensation increase	<b>2%</b>	2%
Retirement age	<b>60</b>	60
Expected sick time usage	<b>9.3 days</b>	9.3 days
Expected sick leave accrual is 18 days less expected current sick leave usage	<b>8.7 days</b>	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).

**KINGS REGIONAL REHABILITATION CENTRE  
NOTES TO FINANCIAL STATEMENTS (continued)  
MARCH 31, 2023**

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

For the year ended March 31, 2023, the following board members, officers and employees, contractors and consultants received compensation of \$100,000 or more:

<u>Name</u>	<u>Compensation Paid</u>
Faith Santos	\$161,018
Susan Hines-Kennedy	\$149,772
Belinda Pangilinan	\$123,014
Jacquelyn Levy	\$116,774
Sheila, Swinimer	\$109,397
Elvi Rubino	\$107,966
Tammy Ramsey	\$105,564
Tara Morton	\$105,121
Tracie Sarsfield-Turner	\$100,885

**18. COMPARATIVE FIGURES**

Certain of the 2022 comparative figures have been restated to conform to the financial statement presentation for 2023.

**KINGS REGIONAL REHABILITATION CENTRE**  
**SCHEDULE OF TRUST BALANCES**  
**YEAR ENDED MARCH 31, 2023**

<b>ASSETS</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Current</b>		
Restricted cash	<u>\$ 998,366</u>	<u>\$ 1,179,684</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Payable to operating fund	\$ 159,102	\$ 391,428
Payable and accruals	<u>426</u>	<u>14,361</u>
	<u>159,528</u>	<u>405,789</u>
<b>FUND BALANCES</b>		
Externally restricted, client fund	800,422	731,964
Externally restricted, client unit funds	13,782	27,519
Externally restricted, client special purpose fund	<u>24,634</u>	<u>14,412</u>
	<u>\$ 998,366</u>	<u>\$ 1,179,684</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, 2023**

<b>CLIENT TRUST FUNDS</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Receipts</b>		
Pension and residents' funds	\$ 1,124,026	\$ 1,023,944
Personal use allowances	244,835	252,080
Clothing	63,330	65,040
Investment income	35,232	6,025
	<u>1,467,423</u>	<u>1,347,089</u>
<b>Disbursements</b>		
Personal use	274,144	290,638
Clothing	88,218	65,301
Medical	3,667	10,045
Board and care, paid to Kings Regional Rehabilitation Centre	990,207	921,767
Upon Discharge	42,729	115,750
	<u>1,398,965</u>	<u>1,403,501</u>
<b>Excess of receipts over disbursements</b>	<b>68,458</b>	<b>(56,412)</b>
Fund balance, beginning of year	<u>731,964</u>	<u>788,376</u>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 800,422</u></b>	<b><u>\$ 731,964</u></b>
 <b>SPECIAL PURPOSE FUND</b>		
<b>Receipts</b>		
Canteen sales	\$ 17,310	\$ 25,568
	<u>17,310</u>	<u>25,568</u>
<b>Approved expenditures</b>		
Canteen purchases	16,545	21,080
Special activities	1,394	905
	<u>17,939</u>	<u>21,985</u>
<b>Excess of receipts over disbursements</b>	<b>(629)</b>	<b>3,582</b>
Fund balance, beginning of year	<u>14,411</u>	<u>10,829</u>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 13,782</u></b>	<b><u>\$ 14,411</u></b>
 <b>UNIT FUNDS</b>		
<b>Receipts</b>		
Special activities	\$ 9,839	\$ 9,019
<b>Approved expenditures</b>		
Special activities	<u>12,723</u>	<u>5,776</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,885)</b>	<b>3,243</b>
Fund balance, beginning of year	<u>27,519</u>	<u>24,275</u>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 24,634</u></b>	<b><u>\$ 27,519</u></b>