

Kings Regional Rehabilitation Centre

Waterville, Nova Scotia

Financial Statements

March 31, 2024

Contents

	Page
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

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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, 2024, 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, 2024, 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.

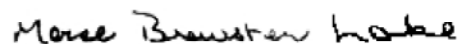
Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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 24, 2024

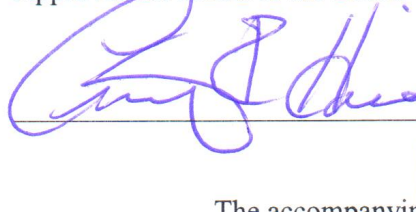
Chartered Professional Accountants
Registered Municipal Auditor


KINGS REGIONAL REHABILITATION CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

FINANCIAL ASSETS	Operating Fund	Capital Assets Fund	TOTAL 2024	TOTAL 2023
Current				
Cash	\$ 2,274,548	\$ -	\$ 2,274,548	\$ 1,700,967
Receivables - net of allowances (note 3)	1,464,624	-	1,464,624	3,384,397
Receivable from Operating Fund	-	-	-	378,820
Receivable from Capital Fund	285,725	-	285,725	-
Receivable from Trust Fund	394,527	-	394,527	159,102
Receivable from Apple Tree Foundation	15,427	-	15,427	6,844
	<u>4,434,851</u>	<u>-</u>	<u>4,434,851</u>	<u>5,630,130</u>
FINANCIAL LIABILITIES				
Current				
Payable and accruals trade	2,573,370	-	2,573,370	909,991
Payable - government remittances	335,975	-	335,975	385,098
Payroll accrual	552,615	-	552,615	2,558,399
Vacation pay accrual	1,225,869	-	1,225,869	1,308,417
Payable to Capital Fund	-	-	-	378,820
Payable to Operating Fund	-	285,725	285,725	-
Deferred revenue	68,583	-	68,583	117,410
Short Term Financing	-	202,965	202,965	-
Accrued Interest	-	2,053	2,053	-
Current portion, long-term debt	-	74,621	74,621	91,617
Long Term				
Sick leave benefit liability (note 15)	1,727,100	-	1,727,100	1,609,700
Capital leases (note 7)	-	-	-	2,089
Long term (note 8)	-	454,788	454,788	527,598
	<u>6,483,512</u>	<u>1,020,152</u>	<u>7,503,664</u>	<u>7,889,139</u>
NET FINANCIAL ASSETS (LIABILITIES)	<u>(2,048,661)</u>	<u>(1,020,152)</u>	<u>(3,068,813)</u>	<u>(2,259,009)</u>
NON FINANCIAL ASSETS (LIABILITIES)				
Deferred Interest - Capital lease	-	337	337	2,523
Inventory of supplies at costs (note 4)	223,405	-	223,405	175,991
Prepaid expenses	134,436	-	134,436	139,186
Property, plant and equipment (note 5)	-	3,642,491	3,642,491	2,936,208
Deferred contributions (note 9)	-	(2,465,973)	(2,465,973)	(2,524,659)
	<u>357,841</u>	<u>1,176,855</u>	<u>1,534,696</u>	<u>729,249</u>
NET ASSETS / (LIABILITIES)	<u>\$ (1,690,820)</u>	<u>\$ 156,703</u>	<u>\$ (1,534,117)</u>	<u>\$ (1,529,760)</u>
SURPLUS (DEFICIT)				
Unrestricted Net Assets, operating fund	(1,690,820)	-	(1,690,820)	(1,701,348)
Reserves	-	10,783	10,783	15,399
Invested in Capital Assets	-	145,920	145,920	156,189
	<u>\$ (1,690,820)</u>	<u>\$ 156,703</u>	<u>\$ (1,534,117)</u>	<u>\$ (1,529,760)</u>

COMMITMENTS (note 11)

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, 2024

	<u>2024</u>	<u>2023</u>
ANNUAL SURPLUS (DEFICIT)	\$ (4,358)	\$ 115,339
ADD (DEDUCT):		
Acquisition of tangible capital assets	(1,230,232)	(210,128)
Amortization of tangible capital assets	507,859	421,203
(Gain) / Loss on disposal of assets	(25,137)	12,512
Proceeds from disposal of assets	41,227	-
(Use) acquisition of Deferred contributions	(58,685)	49,633
Use (acquisition) of prepaid assets	<u>(40,478)</u>	<u>(52,511)</u>
INCREASE IN NET ASSETS (LIABILITIES)	<u>(809,804)</u>	<u>336,048</u>
NET FINANCIAL ASSETS (LIABILITIES), beginning of year	(2,259,009)	(2,595,057)
NET FINANCIAL ASSETS (LIABILITIES), end of year	<u><u>\$ (3,068,813)</u></u>	<u><u>\$ (2,259,009)</u></u>

The accompanying notes are an integral part of these financial statements

**KINGS REGIONAL REHABILITATION CENTRE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024**

	Operating Fund		Capital Fund		Total
	Budget 2024	Actual 2024	2023	2024	
Revenue					
Nova Scotia Department of Community Services	\$ 25,868,815	\$ 26,124,045	\$ 25,994,073	\$ 114,695	\$ 26,120,383
Nova Scotia Department of Community Services - Recognition and Retention Incent	-	306,065	2,107,832	-	2,107,832
Nova Scotia Department of Community Services - Affordability Measures Grant	-	178,955	401,779	-	401,779
Nova Scotia Department of Community Services - Retro Pay Funding	-	660,675	-	-	-
Children Small Options	4,551,138	4,374,999	4,474,439	-	4,474,439
Nova Scotia Medical Services Insurance	150,000	148,976	135,956	-	135,956
Salary Recovery - extra staffing	-	2,639,714	2,587,870	-	2,587,870
Pension and private paying	355,000	370,044	370,180	-	370,180
Social Enterprises	395,500	549,038	408,114	-	408,114
Apple Tree Foundation	20,000	20,004	20,004	-	20,004
Miscellaneous	75,000	107,179	90,512	-	90,512
Interest income	-	100,271	53,416	-	53,416
Gain on sale of capital assets	-	-	-	25,137	-
Revenue related to amortization of deferred contribution	-	-	-	378,765	334,808
	31,415,453	35,579,965	36,644,176	518,597	37,105,294
Expenditures					
Client programs (page 6)	24,661,923	27,610,785	27,124,384	-	27,610,785
General services (page 6)	6,753,530	6,901,651	7,150,277	-	6,901,651
Recognition and Retention Incentive	-	323,522	2,143,738	-	323,522
Retro Pay	-	622,063	-	-	622,063
Sick Leave benefit interest expense	-	77,800	75,000	-	77,800
Extraordinary Items	-	33,618	33,500	-	33,618
Loss on sale of capital assets	-	-	-	-	-
Capital debt interest and other charges	-	-	-	25,624	25,624
Amortization of capital assets	-	-	-	507,858	421,203
	31,415,453	35,569,439	36,526,899	533,482	36,102,921
Excess of Revenue over Expenditures (Expenditures over Revenue)	\$ -	\$ 10,527	\$ 117,276	\$ (14,885)	\$ (4,358)
					\$ 115,339

The accompanying notes are an integral part of these financial statements

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

YEAR ENDED MARCH 31, 2024

	<u>2024</u>		<u>2023</u>	
	Salaries Wages and Benefits	Supplies and Expenses	Actual Total	Actual Total
Client programs				
In-Centre	\$ 15,991,744	\$ 939,263	\$ 16,931,007	\$ 16,582,308
Community options	6,790,558	902,079	7,692,638	7,645,123
Social Enterprises	1,192,386	518,952	1,711,339	1,607,981
Clinical support services	1,077,581	49,245	1,126,825	1,153,015
Nova Scotia Medical Services Insurance (MSI)	-	148,976	148,976	135,956
	<u>\$ 25,052,269</u>	<u>\$ 2,558,516</u>	<u>\$ 27,610,785</u>	<u>\$ 27,124,384</u>
General Services				
Administration	\$ 1,417,580	\$ 555,068	\$ 1,972,648	\$ 1,904,727
Food services	1,222,200	668,338	1,890,538	1,880,170
Environmental services	901,402	186,405	1,087,807	1,148,741
Plant services	931,125	1,019,533	1,950,657	2,216,640
	<u>\$ 4,472,307</u>	<u>\$ 2,429,344</u>	<u>\$ 6,901,651</u>	<u>\$ 7,150,277</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, 2024

	<u>Operating</u>	<u>Capital</u>	<u>Total 2024</u>	<u>Total 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess revenues over (expenditures)	\$ 10,527	\$ (14,885)	\$ (4,358)	\$ 115,339
Non-cash amortization	-	507,858	507,858	421,203
Non-cash amortization - deferred contributions	-	(378,765)	(378,765)	(334,808)
Loss on disposal of assets	-	-	-	12,514
Gain on disposal of assets	-	(25,137)	(25,137)	-
Changes in non-cash accounts	563,054	666,598	1,229,652	199,727
Net cash generated (used in) operating activities	<u>573,581</u>	<u>755,669</u>	<u>1,329,250</u>	<u>413,975</u>
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES				
Transfer to capital fund				
Proceeds of long term debt	-	202,965	202,965	-
Proceeds from disposal of assets	-	41,227	41,227	-
Purchase of capital assets	-	(1,230,232)	(1,230,232)	(210,128)
Increase / (decrease) in deferred contributions	-	320,081	320,081	384,439
(Increase) / decrease in deferred interest	-	2,186	2,186	3,497
Capital lease payments	-	(13,772)	(13,772)	(23,579)
Loan payments	-	(78,125)	(78,125)	(75,500)
Net cash used in financing activities	<u>-</u>	<u>(755,669)</u>	<u>(755,669)</u>	<u>78,728</u>
NET INCREASE IN CASH	573,581	-	573,581	492,703
CASH AT BEGINNING OF YEAR	<u>1,700,967</u>	<u>-</u>	<u>1,700,967</u>	<u>1,208,264</u>
CASH AT END OF YEAR	<u>\$ 2,274,548</u>	<u>\$ -</u>	<u>\$ 2,274,548</u>	<u>\$ 1,700,967</u>

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

YEAR ENDED MARCH 31, 2024

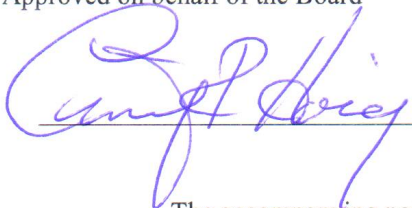
	<u>2024</u>	<u>2023</u>
ASSETS		
Due from operating fund	<u>\$ 10,783</u>	<u>\$ 15,399</u>
NET ASSETS		
Reserve	<u>\$ 10,783</u>	<u>\$ 15,399</u>


STATEMENT OF CAPITAL RESERVE FUND

YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 15,399	\$ 34,171
ADD (Deduct):		
Purchase of 2018 Chev Silverado	-	(18,772)
Sale of 2011 Dodge Caravan	261	-
Sale of 2011 Wheelchair Van	966	-
Sale of 2018 Chev Silverado	23,910	-
Purchase of Floor Lifts	(29,754)	-
Balance, end of the year	<u>\$ 10,783</u>	<u>\$ 15,399</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, 2024**

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, 2024**

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. RECEIVABLES	<u>2024</u>	<u>2023</u>
Nova Scotia Department of Community Services	\$ 880,606	\$ 2,624,765
Nova Scotia Family and Children Services	380,163	562,970
Nova Scotia Medical Services Insurance	39,335	23,638
Programs - Apple Tree Industries	15,087	12,631
Employee	17,924	25,883
Canada Revenue Agency - HST Rebates	108,052	51,062
WCB Recovery	-	43,816
Insurance Proceeds	-	20,021
Other	23,457	19,612
	<hr/> \$ 1,464,624 <hr/>	<hr/> \$ 3,384,397 <hr/>

4. INVENTORY OF SUPPLIES, at cost

Environmental	\$ 20,648	\$ 22,048
Medical	29,752	20,644
Office	7,373	8,017
Personal care	20,899	20,263
Dietary - Food & Other Supplies	41,297	40,881
Fuel	17,070	20,272
Pharmacy - OTC	25,515	9,431
Plank Industries	16,892	18,971
Friendly Neighbours	29,051	9,771
House of Sprouts	14,909	5,694
	<hr/> \$ 223,405 <hr/>	<hr/> \$ 175,991 <hr/>

**KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2024**

5. PROPERTY, PLANT AND EQUIPMENT

	<u>2024</u>			<u>2023</u>
	<u>Costs</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building improvements	\$ 6,183,783	\$ 5,367,003	\$ 816,780	\$ 880,053
Building , Rainforth Property	329,359	306,068	23,292	39,760
Building, Waterville Property	320,994	244,068	76,926	92,976
Building, Plank Industries	643,804	342,393	301,411	333,601
Building, Greenhouse	51,626	51,626	-	5,163
Building, Corner Store	215,429	46,450	168,979	179,750
Building, KRRC Property	938,539	157,087	781,452	817,525
Building, Middleton Property - 141 Sunset	403,483	20,248	383,235	1,407
Building, Middleton Property - 138 Sunset	402,710	20,225	382,485	1,704
Equipment	2,093,413	1,762,419	330,994	342,829
Motor Vehicles	673,547	473,787	199,760	174,360
Leasehold Improvements	217,462	65,519	151,943	25,604
Computer Equipment	393,755	388,806	4,949	17,115
Parking Lot	81,490	61,204	20,286	24,361
	<u>\$ 12,949,395</u>	<u>\$ 9,306,904</u>	<u>\$ 3,642,491</u>	<u>\$ 2,936,208</u>

6. 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.

7. CAPITAL LEASES

	<u>2024</u>	<u>2023</u>
Capital Lease, payable in monthly installment of \$679.80 maturing in May 2023, secured by 29 Dell Optiplex computers	\$ -	\$ 1,232
Capital Lease, payable in monthly installment of \$1,152.23 maturing in May 2024, secured by 39 Dell Optiplex computers	2,090	14,628
	<u>2,090</u>	<u>15,860</u>
Less amount reported in current liabilities	<u>2,090</u>	<u>13,771</u>
	<u>\$ -</u>	<u>\$ 2,089</u>

**KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2024**

8. LONG TERM DEBT	<u>2024</u>	<u>2023</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	\$ 15,727	\$ 38,323
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	334,453	356,718
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	135,932	143,446
5.84% Ford Credit, payable in monthly installment of \$894.08 maturing in May 2025, secured by 2020 Ford F150	12,072	21,786
6.14% Scotiabank, payable in monthly installment of \$661.14 maturing in May 2025, secured by 2020 Dodge Grand Caravan	8,910	16,057
5.69% RBC, payable in monthly installment of \$859.77 maturing in April 2026, secured by 2021 Dodge Grand Caravan	20,224	29,114
	<u>527,319</u>	<u>605,444</u>
Less amount reported in current liabilities	<u>72,531</u>	<u>77,846</u>
	<u>\$ 454,788</u>	<u>\$ 527,598</u>

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

2025	\$ 72,531
2026	42,546
2027	30,356
2028	29,500
2029	249,500

**KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2024**

9. 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>2024</u>	<u>2023</u>
Balance at beginning of year	\$2,524,659	\$2,475,026
Add: contribution, net of disposals	320,079	142,250
Less: amount amortized to revenue	<u>(378,765)</u>	<u>(334,808)</u>
Balance at end of year	<u>\$ 2,465,973</u>	<u>\$ 2,524,659</u>

10. 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 2024 and 2023 was \$1,674,966 and \$1,673,151 respectively.

11. 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
Pothier Motors – Dodge Ram 1500 Classic 2021	42	August 2026	\$9,442
DeLage Landen – Postage Machine	66	September 2027	\$904
DeLage Landen – Sharp photocopier	66	August 2028	\$975
LBC Capital - Sharp photocopier	66	September 2027	\$3,625
LBC Capital - Sharp photocopier	66	January 2025	\$5,810
Adult Options Program facility lease	60	November 2027	\$36,059
Adult Options Program facility lease	60	month-to-month	\$22,495
Small Options Program facility lease	60	month-to-month	\$22,495
Small Options Program facility lease	60	month-to-month	\$22,296
Small Options Program facility lease	60	month-to-month	\$35,081
Small Options Program facility lease	60	month-to-month	\$30,566

**KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2024**

12. 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.

13. 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:

Apple Tree Foundation	<u>2024</u>	<u>2023</u>
Payroll and benefits charged	\$ 20,004	\$ 20,004
Cash contribution received toward the purchase of equipment	60,028	29,372
 Municipality of the County of Kings		
Board honoraria	10,350	9,000

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

14. CHANGES IN FUND POSITION

	Unrestricted Operating <u>Fund</u>	Invested in Capital <u>Assets</u>	Total <u>2024</u>	Total <u>2023</u>
Fund Balance, beginning of year	\$ (1,701,347)	\$ 171,588	\$ (1,529,760)	\$ (1,645,098)
Excess of expenditures over revenue	10,527	(14,885)	(4,358)	115,338
Fund Balance at end of Year	<u>\$ (1,690,820)</u>	<u>\$ 156,703</u>	<u>\$ (1,534,117)</u>	<u>\$ (1,529,760)</u>

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

15. 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 2023-24 expenses, the actuary extrapolated the results of the March 31, 2020 valuation to March 31, 2023, 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>2024</u>	<u>2023</u>
Accrued benefit obligation, beginning of year	\$1,609,700	\$1,513,400
Current period benefit cost	265,900	255,700
Employee benefit interest expense	77,800	75,000
Actuarial (gains) losses	33,300	33,300
Benefit payments	<u>(259,600)</u>	<u>(267,700)</u>
Accrued benefit obligation, end of period	<u>\$1,727,100</u>	<u>\$1,609,700</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>2024</u>	<u>2023</u>
Discount Rate	4.95%	4%
Rate of compensation increase	3%	2%
Retirement age	60	60
Expected sick time usage	9.6 days	9.3 days
Expected sick leave accrual is 18 days less expected current sick leave usage	8.4 days	8.7 days

Sick leave bank Utilization for March 31, 2024 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 employees at the Centre from April 1, 2022 to March 31, 2024, blended 50/50 with the assumption used in the prior valuation.

The gain on the accrued benefit for March 31, 2024 is \$228,000. This will be amortized over the expected average remaining service life (12 years at \$19,000 per year). This will offset the loss of \$399,700 from March 31, 2020 that is being amortized over 12 years (\$33,300 per year) to \$14,300 per year, starting in 2025.

**KINGS REGIONAL REHABILITATION CENTRE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2024**

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

For the year ended March 31, 2024, 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	\$167,248
Susan Hines-Kennedy	\$145,004
Elvim Rubino	\$130,021
Jacquelyn Levy	\$125,042
Sheila, Swinimer	\$121,354
Reema Luckose	\$114,596
Tara Morton	\$112,562
Tammy Ramsey	\$112,328
Veeravabu Kandasawamy	\$106,987
Darla Burgher	\$104,442
Tracie Sarsfield-Turner	\$104,332
Tom Litsas	\$103,512
Tracy Brovold	\$102,772
Nadina Smith	\$101,525

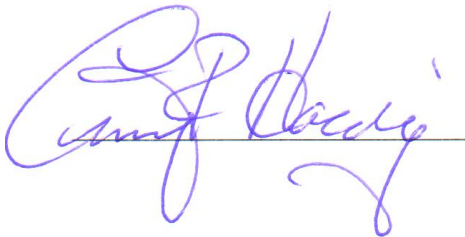
17. COMPARATIVE FIGURES

Certain of the 2023 comparative figures have been restated to conform to the financial statement presentation for 2024.

KINGS REGIONAL REHABILITATION CENTRE
SCHEDULE OF TRUST BALANCES
YEAR ENDED MARCH 31, 2024

ASSETS	<u>2024</u>	<u>2023</u>
Current		
Restricted cash	\$ 1,385,425	\$ 998,366
Receivables	<u>26,605</u>	<u>-</u>
	<u>\$ 1,412,030</u>	<u>\$ 998,366</u>
 LIABILITIES		
Current		
Payable to operating fund	\$ 394,527	\$ 159,102
Payable - Discharged Clients	210,289	163,557
Payable and accruals	<u>16,666</u>	<u>426</u>
	<u>621,482</u>	<u>323,085</u>
 FUND BALANCES		
Externally restricted, client fund	755,194	636,865
Externally restricted, client unit funds	20,575	13,782
Externally restricted, client special purpose fund	<u>14,778</u>	<u>24,634</u>
	<u>\$ 1,412,030</u>	<u>\$ 998,366</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, 2024

CLIENT TRUST FUNDS	<u>2024</u>	<u>2023</u>
Receipts		
Pension and residents' funds	\$ 1,093,611	\$ 1,124,026
Personal use allowances	238,050	244,835
Clothing	62,100	63,330
Investment income	63,348	35,232
	1,457,108	1,467,423
Disbursements		
Personal use	267,490	274,144
Clothing	95,938	88,218
Medical	7,177	3,667
Board and care, paid to Kings Regional Rehabilitation Centre	911,951	990,207
Upon Discharge	9,492	42,729
	1,292,047	1,398,965
Excess of receipts over disbursements	165,061	68,458
Fund balance, beginning of year	636,865	731,964
Reallocated to Payable Discharged Clients	(46,732)	(163,557)
FUND BALANCE, END OF YEAR	\$ 755,194	\$ 636,865
 SPECIAL PURPOSE FUND		
Receipts		
Canteen sales	\$ -	\$ 17,310
Pop Commission	1,924	-
	1,924	17,310
Approved expenditures		
Canteen purchases	-	16,545
Special activities	929	1,394
	929	17,939
Excess of receipts over disbursements	996	(629)
Fund balance, beginning of year	13,782	14,411
FUND BALANCE, END OF YEAR	\$ 14,778	\$ 13,782
 UNIT FUNDS		
Receipts		
Special activities	\$ 8,417	\$ 9,839
Approved expenditures		
Special activities	12,476	12,723
	12,476	12,723
Excess (deficiency) of receipts over disbursements	(4,059)	(2,885)
Fund balance, beginning of year	24,634	27,519
FUND BALANCE, END OF YEAR	\$ 20,575	\$ 24,634