

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2025

Draft

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
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MARCH 31, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:
Shoreham Village Senior Citizens Association

Qualified Opinion

We have audited the financial statements of **Shoreham Village Senior Citizens Association** ("the Association"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and a supplementary schedule.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2025, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2025 and assets and net assets as at March 31, 2024 and 2025.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Dartmouth, Nova Scotia
June XX, 2025

Chartered Professional Accountants

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

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	Unaudited 2025 Budget \$	2025 Actual \$	2024 Actual \$
REVENUES			
Long-term care (Schedule)	9,564,861	10,251,432	10,090,646
Commercial services	<u>-</u>	<u>31,706</u>	<u>30,804</u>
	<u>9,564,861</u>	<u>10,283,138</u>	<u>10,121,450</u>
EXPENSES (SCHEDULE)			
Administrative	592,941	696,590	695,211
Resident care	5,728,988	6,061,196	5,697,437
Dietetic services	1,106,383	1,099,364	1,175,770
Environmental services	767,184	736,368	883,024
Facility services	569,084	572,017	621,268
Program support	390,268	413,287	484,864
Commercial services	<u>-</u>	<u>28,672</u>	<u>29,973</u>
	<u>9,154,848</u>	<u>9,607,494</u>	<u>9,587,547</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	<u>410,013</u>	<u>675,644</u>	<u>533,903</u>
OTHER ITEMS			
Amortization of capital assets	480,012	488,234	487,477
Interest expense (recovery)	<u>-</u>	<u>-</u>	<u>(12,000)</u>
	<u>480,012</u>	<u>488,234</u>	<u>475,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(69,999)</u>	<u>187,410</u>	<u>58,426</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
AS AT MARCH 31, 2025

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	Unrestricted	Internally Restricted	Total 2025
	\$	\$	\$
NET ASSETS			
Balance, beginning of year	675,211	245,287	920,498
Excess of revenues over expenses	<u>187,410</u>	<u>-</u>	<u>187,410</u>
Balance, end of year	<u>862,621</u>	<u>245,287</u>	<u>1,107,908</u>

	Unrestricted	Internally Restricted	Total 2024
	\$	\$	\$
NET ASSETS			
Balance, beginning of year	616,785	245,287	862,072
Excess of revenues over expenses	<u>58,426</u>	<u>-</u>	<u>58,426</u>
Balance, end of year	<u>675,211</u>	<u>245,287</u>	<u>920,498</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

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	2025	2024
	\$	\$
ASSETS		
CURRENT		
Cash (Note 3)	2,205,738	557,703
Accounts receivable (Note 4)	717,336	440,766
Inventory	49,829	63,396
Prepays	<u>106,689</u>	<u>46,414</u>
	3,079,592	1,108,279
CONTRIBUTION RECEIVABLE	41,720	22,671
CAPITAL ASSETS (Note 5)	<u>11,842,698</u>	<u>4,903,836</u>
	<u>14,964,010</u>	<u>6,034,786</u>
ASSETS HELD IN TRUST	<u>11,879</u>	<u>7,902</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	3,062,617	1,471,174
Deferred revenue (Note 7)	<u>1,139,337</u>	<u>530,120</u>
	4,201,954	2,001,294
LONG-TERM DEBT (Note 8)	8,684,712	1,848,299
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	967,366	1,262,625
EMPLOYEE FUTURE BENEFITS (Note 10)	<u>2,070</u>	<u>2,070</u>
	<u>13,856,102</u>	<u>5,114,288</u>
NET ASSETS		
UNRESTRICTED	862,621	675,211
INTERNALLY RESTRICTED	<u>245,287</u>	<u>245,287</u>
	<u>1,107,908</u>	<u>920,498</u>
	<u>14,964,010</u>	<u>6,034,786</u>
RESIDENTS' TRUST ACCOUNTS	<u>11,879</u>	<u>7,902</u>
COMMITMENTS (Note 12), CONTINGENCY (Note 13)		
Approved by the Board		

Director

Director

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

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	2025	2024
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	187,410	58,426
Items not affecting cash		
Amortization of capital assets	488,234	487,477
Amortization of deferred capital contributions	(372,165)	(309,981)
	303,479	235,922
Changes in non-cash working capital items		
Accounts receivable	(276,570)	(226,962)
Inventory	13,567	(11,040)
Prepays	(60,275)	(29,731)
Accounts payable and accrued liabilities	1,591,443	555,541
Deferred revenue	609,217	105,306
	<u>2,180,861</u>	<u>629,036</u>
FINANCING		
Net change in deferred revenue - capital projects	(19,049)	(32,880)
Receipts of deferred capital contributions	76,906	109,550
Proceeds on long-term debt	8,684,712	1,580,790
Payments on long-term debt	(1,848,299)	-
	<u>6,894,270</u>	<u>1,657,460</u>
INVESTING		
Acquisition of capital assets	(7,427,096)	(2,485,872)
CHANGE IN CASH	1,648,035	(199,376)
CASH - beginning of year	<u>557,703</u>	<u>757,079</u>
CASH - end of year	<u>2,205,738</u>	<u>557,703</u>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

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1. OPERATIONS

Shoreham Village Senior Citizens Association ("the Association"), incorporated under the Province of Nova Scotia's Societies Act, operates in Chester, Nova Scotia under the name Shoreham Village. The Association provides long-term care services and other lifestyle services to older adults and others requiring support.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash

Cash consists of cash on hand and bank balances held with financial institutions.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is measured using the first-in first-out method. Net realizable value is the estimated selling price, including the cost of purchase, transportation and other direct costs attributable to the acquisition of inventory, less any applicable variable selling costs.

Assets held in trust

Assets held in trust consist of deposits held on behalf of residents, which are used for discretionary spending and settlement of outstanding expenses.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Cost includes the purchase price and other acquisition costs such as installation costs, architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. Where constructed by the Association, the cost also includes direct construction or development costs, such as materials and labour, as well as overhead costs directly attributable to the construction or development activity. The Association capitalizes interest costs related to building development once the development process has started.

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets (Continued)

Amortization commences when the asset is put into use. One half year's amortization is taken in the year of acquisition. Amortization is provided for using the following rates and method over the estimated useful lives:

Buildings	4 -10 years	Straight-line
Furniture and equipment	5 - 10 years	Straight-line
Roadways	10 years	Straight-line
Vehicles	5 years	Straight-line
Well	10 years	Straight-line

Impairment of long-lived assets

Long-lived assets are reviewed for impairment annually. When conditions indicate a long-lived asset no longer contributes to the Association's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost.

Income taxes

The Association is a non-profit organization under Section 149.1(1) of the Income Tax Act, and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

Revenue recognition

The Association follows the deferral method of accounting for contributions which includes long-term care contributions and commercial services.

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 to be received can be reasonably estimated and collection is reasonably assured.

Bequests, donations and memoriams are recognized as revenue of the donation fund (part of the internally restricted fund) when received. Unrestricted investment income is recognized as revenue when earned.

Contributions for capital assets are included as deferred capital contributions on the statement of financial position and are amortized into revenue at the same rate and on the same basis as amortization of the related capital asset.

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed goods and services

Contributed goods and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Association's operations and would otherwise have been purchased.

The Association benefits from donated services in the form of volunteer time for various programs and objectives of the Association. Due to the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

Pension expense and obligation

The Association offers a multi-employer defined benefit pension plan to employees under the Nova Scotia Health Employees' Pension Plan. Due to the nature of the plan, the Association does not have sufficient information to account for the plan as a defined benefit plan. Therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period when the Association is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in accounts payable and accrued liabilities on the statement of financial position.

The Association offers a RRSP plan to employees. The expense is equal to the Association's share of the amount of contributions to the plan on behalf of the employees.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for uncollectable accounts receivable, useful lives of capital assets, employee future benefits, certain accrued liabilities, and contingencies. Actual results could differ from those estimates.

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value, except related party transactions which are recorded at the exchange amount established and agreed upon by the related parties.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except related party transactions which are measured at their carrying value.

Financial assets measured at amortized cost include cash, accounts receivable and contribution receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, long-term debt and employee future benefits.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in excess of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in excess of revenues over expenses.

Transaction costs

The Association recognizes its transaction costs in excess of revenues over expenses in the period incurred. However, the carrying amounts of the financial instruments that will not be subsequently measured at fair value include the transaction costs that are directly attributable to their origination, issuance or assumption.

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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3. OPERATING LINE OF CREDIT

The Association has an operating bank overdraft with Scotiabank authorized in the amount of \$50,000. Any outstanding balance bears interest at Scotiabank's prime rate plus 1% per annum. A general assignment of book debts and a floating charge over all other assets owned by the Association and an unlimited guarantee by Shoreham Village Senior Citizens Apartments Association, have been given to the Scotiabank as collateral security for loans. At March 31, 2025, the Association's operating bank overdraft balance was \$NIL (2024 - \$NIL).

The Association has an unsecured demand promissory note with Northwood Support Services Incorporated authorized in the amount of \$250,000. Any outstanding balance bears interest at 2% per annum. At March 31, 2025, the Association's promissory note balance was \$NIL (2024 - \$NIL).

4. ACCOUNTS RECEIVABLE

	2025	2024
	\$	\$
Trade receivables	59,740	278,925
HST recoverable	659,396	165,841
Allowance for doubtful accounts	(1,800)	(4,000)
	<u>717,336</u>	<u>440,766</u>

5. CAPITAL ASSETS

	Cost	Accumulated	Net	Net
	\$	Amortization	2025	2024
		\$	\$	\$
Land, including grounds improvements	609,641	-	609,641	201,972
Buildings	6,295,725	5,210,983	1,084,742	1,378,484
Building under construction	9,806,873	-	9,806,873	2,923,814
Furniture and equipment	2,810,465	2,487,684	322,781	374,119
Roadways	70,375	70,375	-	-
Vehicles	116,394	97,733	18,661	25,447
Well	<u>135,551</u>	<u>135,551</u>	<u>-</u>	<u>-</u>
	<u>19,845,024</u>	<u>8,002,326</u>	<u>11,842,698</u>	<u>4,903,836</u>

During the year, the Association capitalized \$167,667 (2024 - \$45,499) of interest, which is included in building under construction. No amortization has been taken on the building under construction as the project is currently in progress.

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
	\$	\$
Trade payables	2,590,382	952,677
Wage accrual	342,040	286,100
Government remittances	65,344	194,522
Other payables	<u>64,851</u>	<u>37,875</u>
	<u>3,062,617</u>	<u>1,471,174</u>

7. DEFERRED REVENUE

Deferred revenue consists of funding received in advance from the Department of Seniors and Long-term Care for operations.

	2025	2024
	\$	\$
<i>Changes in deferred revenue are as follows:</i>		
Balance - beginning of year	530,120	424,814
Amount recognized as revenue during the year	(7,747,795)	(7,752,516)
Amounts received related to future periods	<u>8,357,012</u>	<u>7,857,822</u>
Balance - end of year	<u>1,139,337</u>	<u>530,120</u>

8. LONG-TERM DEBT

Department of Municipal Affairs and Housing mortgage, with an authorized limit of \$82,439,872, secured by land and building with a carrying value of \$11,501,256 (2024 - \$4,504,270), bearing interest at 4.61% per annum. Repayment of principal and interest will commence at the substantial completion of the construction phase of the facility project, which is currently projected to occur by March 31, 2027. The loan will mature 25 years after the completion date.

	2025	2024
	\$	\$
	8,684,712	-
Retired debt	<u>-</u>	<u>1,848,299</u>
	<u>8,684,712</u>	<u>1,848,299</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consists of contributions received from the Department of Seniors and Long-term Care for the acquisition of capital assets.

	2025	2024
<i>Changes in deferred capital contributions are as follows:</i>	\$	\$
Balance - beginning of year	1,262,625	1,463,056
Amortization of deferred capital contributions	(372,165)	(309,981)
Amounts received related to future periods	<u>76,906</u>	<u>109,550</u>
Balance - end of year	<u>967,366</u>	<u>1,262,625</u>

10. EMPLOYEE FUTURE BENEFITS

Effective March 31, 2015, the retiring allowance was discontinued. Service up to March 31, 2015 is included in determination of the retiring allowance amount, in addition an early payout option was offered. For those who did not elect to defer their payout, the accrued benefit obligation is equal to their retirement allowance payment. The actuarial liability of the retirement allowance entitlements as at March 31, 2025 is \$2,070 (2024 - \$2,070).

11. PENSION PLAN

The Association contributes to two plans on behalf of its employees. The first is a group registered retirement savings plan in which the Association pays 9.22% - 11.88% of the employees earnings.

The second plan is a multi-employer defined benefit plan administered by the Nova Scotia Health Employees' Pension Plan Trustees in which the Association pays 9.22% of the employees' earnings up to the yearly maximum pensionable earnings.

The most recent actuarial valuation was at July 1, 2024, and showed the following results for the entire plan (in thousands). The next valuation date is planned for July 1, 2027.

	\$
Accrued benefit obligation	11,018,000
Funding excess	326,000
Market value of assets	11,425,000

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

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11. PENSION PLAN (Continued)

The Association bears no direct financial liability for any unfunded liability of the plan as the responsibility lies with the plan Trustees. The amount contributed to the plans for the year ended March 31, 2025 was \$421,982 (2024 - \$391,514) and was expensed as salaries and benefits by the Association.

12. COMMITMENTS

Lease commitment

The Association leases office equipment with terms expiring in 2026. The minimum lease payments for the next year is \$2,243.

Other contract

The Association entered into a fee for service management contract with Northwood Support Services Incorporated ("Northwood") on March 14, 2016, which was subsequently renewed on June 13, 2022. Under the terms of the agreement, Northwood provides operational support to the Association in a manner consistent with the Association's Board of Directors policies, by-laws and strategic priorities, and alignment with the Association's mission, vision and values. Either party may, at any time and without cause, give the other party 12 months' written notice of termination of the contract. During the year, total fees paid to Northwood under this agreement were \$237,252 (2024 - \$228,132), and were recorded as consulting expense.

Construction contract

The Association has entered into a construction contract with a third-party contractor for the development of a new building. The contract includes the provision of labour, architectural and engineering plans, materials, equipment, and reasonable overhead. The total committed cost under this contract is \$60,280,000. This amount will be payable as construction progresses in accordance with the terms of the agreement and only to the extent that the contractor fulfills its contractual obligations. Construction is anticipated to be completed by March 2027.

13. CONTINGENCY

Sick leave

The Association has a contingent liability for accumulated sick leave. Employees earn sick leave credits at the rate of two eight-hour days per month and shall accumulate sick leave to a maximum of 24 days.

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

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13. CONTINGENCY (Continued)

Sick leave (continued)

Sick leave benefits are a form of insurance for employees against loss of earnings due to sickness and are not automatic entitlements. Any unused sick leave benefits shall be cancelled on termination of employment. The amount of this potential liability cannot be reasonably estimated and sick leave is expensed in the statement of operations as employees utilize the entitlement.

Transactions with Shoreham Village Senior Citizens Apartment Association

On June 1, 2011, and subsequently renewed on January 20, 2021, the Association entered into a shared well water agreement with Shoreham Village Senior Citizens Apartments Association, an entity not under common control, for wells, pump house and water distribution system situated on the properties of both parties, to be used by the parties in accordance with the agreement. Each party shall pay a proportionate share of all expenses for the operation, maintenance, removal and replacement of pre-existing improvements of the wells, pump house and water distribution system.

Each respective share has been determined by each party's water consumption. The Association is responsible for 70% and Shoreham Village Senior Citizens Apartments Association is responsible for 30% of the total cost of repairs and maintenance on the wells, pump house, circulating pumps, water conditioning system and water pipes to/from all wells. During the year, \$3,719 (2024 - \$19,037) was charged to Shoreham Village Senior Citizens Apartments Association with respect to this agreement.

The Association has provided the following in relation to the borrowing of Shoreham Village Senior Citizens Apartments Association:

- a guarantee of the outstanding mortgage with an initial principal amount of \$1,348,717 with terms ending September 2026; and
- a general security agreement providing a security interest in all present and after-acquired personal property.

The mortgage balance as at March 31, 2025 is \$640,356 (2024 - \$730,202).

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

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14. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

Under Public Sector Compensation Disclosure Act of Nova Scotia, the Association is required to report compensation paid or provided to any person equalling or exceeding \$100,000 during the fiscal year. During the year under audit, Donna Mitchell, Registered Nurse, was paid \$124,198, Nelli Zatserkovna, Registered Nurse, was paid \$123,077, Kimberly Croft, Occupational Health & Infection Control Specialist, was paid \$113,615, Emil Johnston-Smith, Manager, Nursing Services, was paid \$110,255, and Shannon Corkum, Manager, Nursing Services, was paid \$100,821.

15. ECONOMIC DEPENDENCE

The Association is funded by way of a fixed per diem, the cost of which is shared by the Department of Seniors and Long-Term Care and the residents. As such, the Association is dependent upon the Department of Seniors and Long-Term Care to fund capital requirements and operations.

16. FINANCIAL INSTRUMENTS

Risks and concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at March 31, 2025.

It is management's opinion that the Association is not exposed to significant currency or other price risks from its financial instruments. The risks arising on financial instruments are limited to the following:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash, accounts receivable and contribution receivable. The Association deposits its cash in reputable financial institutions and therefore believes the risk of loss to be remote. The Association is exposed to credit risk from resident accounts receivable and contributions receivable. The Association believes this credit risk is minimized as the Association has a large and diverse resident base as well as amounts outstanding are due from a government organization. A provision for impairment of accounts receivable is established when there is objective evidence that the Association will not be able to collect all amounts due.

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

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16. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, long-term debt, and employee future benefits. The Association generates sufficient cash flow from operating activities to fund operations and fulfill obligations as they become due. Financing facilities are in place should cash requirements exceed cash generated from operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its financial obligations at variable interest rates.

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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17. SUPPLEMENTAL INFORMATION

The operating revenues and expenses for the years ended March 31, 2025 and March 31, 2024 are provided in the following format at the request of the Department of Seniors and Long-Term Care.

	Unaudited 2025 Budget \$	2025 Actual \$	2024 Actual \$
REVENUES			
Department of Seniors and Long-Term Care	7,408,447	7,367,465	6,642,696
Accommodation charges	1,646,161	1,943,419	1,857,163
Private per diems	434,672	395,946	1,151,267
Other	54,665	174,811	129,541
	<u>9,543,945</u>	<u>9,881,641</u>	<u>9,780,667</u>
EXPENSES			
Salaries			
Administration	120,207	127,422	164,158
Direct care	4,360,843	4,163,532	3,949,452
Program support	279,071	275,590	359,189
Dietary	565,847	517,959	590,133
Environmental	526,733	500,651	591,888
Maintenance	96,686	90,021	102,924
Benefits	1,578,909	1,742,899	1,604,099
Operations and Maintenance			
Administration	493,579	590,681	538,179
Direct care	239,442	625,759	613,541
Program support	14,280	14,667	16,131
Dietary	363,731	423,734	430,740
Environmental	71,763	74,004	125,229
Maintenance	443,757	431,903	471,911
Capital	459,096	118,444	165,496
	<u>9,613,944</u>	<u>9,697,266</u>	<u>9,723,070</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(69,999)</u>	<u>184,375</u>	<u>57,597</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
SCHEDULE TO STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

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	Unaudited 2025 Budget \$	2025 Actual \$	2024 Actual \$
REVENUES			
LONG-TERM CARE			
Deferred contributions	20,916	369,791	309,981
Department of Seniors and Long-Term Care	7,843,119	7,758,538	7,787,801
Other	54,665	174,811	129,540
Resident contributions	<u>1,646,161</u>	<u>1,948,292</u>	<u>1,863,324</u>
	<u>9,564,861</u>	<u>10,251,432</u>	<u>10,090,646</u>
EXPENSES			
ADMINISTRATIVE			
Advertising	600	4,447	6,854
Bad debts	-	5,300	4,000
Bank charges	5,400	5,392	6,087
Consulting	262,452	261,697	256,498
Employee development	1,200	7,107	5,405
In-home ceremonies	13,200	9,260	10,060
Information technology	61,800	95,028	64,165
Legal and audit	15,840	36,373	34,545
Memberships	20,160	19,058	17,939
Office supplies and postage	25,147	51,873	49,213
Salaries and benefits	155,642	170,137	210,758
Telecommunications	20,100	25,341	21,729
Travel	<u>11,400</u>	<u>5,577</u>	<u>7,958</u>
	<u>592,941</u>	<u>696,590</u>	<u>695,211</u>
RESIDENT CARE			
Contracted services	69,234	410,015	419,660
Drugs	8,395	5,457	9,282
Employee development	-	-	250
Equipment maintenance	16,813	14,936	22,143
Incontinent system	70,000	68,481	65,811
Salaries and benefits	5,489,546	5,465,369	5,093,185
Supplies	75,000	96,582	75,103
Travel	-	150	218
Woundcare	<u>-</u>	<u>206</u>	<u>11,785</u>
	<u>5,728,988</u>	<u>6,061,196</u>	<u>5,697,437</u>
DIETETIC SERVICES			
Equipment maintenance	15,600	12,534	8,741
Food and beverages	329,032	376,966	339,763
Salaries and benefits	727,052	663,429	736,289
Supplies and small wares	<u>34,699</u>	<u>46,435</u>	<u>90,977</u>
	<u>1,106,383</u>	<u>1,099,364</u>	<u>1,175,770</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
SCHEDULE TO STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

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	Unaudited 2025 Budget \$	2025 Actual \$	2024 Actual \$
EXPENSES (CONTINUED)			
ENVIRONMENTAL SERVICES			
Contracted services	-	333	54,847
Furnishings	17,884	2,470	3,731
Garbage removal	6,000	7,711	6,728
Salaries and benefits	671,537	651,850	747,336
Supplies	71,763	74,004	70,382
	<u>767,184</u>	<u>736,368</u>	<u>883,024</u>
FACILITY SERVICES			
Cable television	8,388	10,672	9,339
Electricity	130,900	134,624	128,810
Insurance	39,360	45,275	39,318
Landscaping and snow removal	36,000	35,735	38,568
Oil	1,200	889	1,676
Pest control	1,200	1,517	1,346
Propane gas	36,000	42,613	38,183
Property taxes	72,000	80,201	71,976
Repairs and maintenance	104,165	87,040	148,064
Salaries and benefits	125,451	117,553	129,240
Supplies	14,420	15,898	14,748
	<u>569,084</u>	<u>572,017</u>	<u>621,268</u>
PROGRAM SUPPORT			
Contracted services	17,520	53,148	30,276
Salaries and benefits	359,068	349,734	445,037
Supplies	7,200	9,919	7,243
Travel	6,480	486	2,308
	<u>390,268</u>	<u>413,287</u>	<u>484,864</u>
COMMERCIAL SERVICES			
Bus	-	4,890	6,924
Commercial services	-	23,782	23,049
	<u>-</u>	<u>28,672</u>	<u>29,973</u>