

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2026

Draft

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
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MARCH 31, 2026**

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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, 2026, 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 supplementary schedules.

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, 2026, 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, 2025 and 2026, and assets and net assets as at March 31, 2025 and 2026. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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
XXXX, 2026

Chartered Professional Accountants

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

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	Unaudited 2026 Budget \$	2026 Actual \$	2025 Actual \$
REVENUES			
Long-term care (Schedule)	10,947,764	10,395,326	10,251,432
Commercial services	<u>-</u>	<u>31,163</u>	<u>31,706</u>
	<u>10,947,764</u>	<u>10,426,489</u>	<u>10,283,138</u>
EXPENSES (SCHEDULE)			
Administrative	781,278	796,909	696,590
Resident care	6,742,705	6,223,602	6,061,196
Dietetic services	1,143,447	1,136,936	1,099,364
Environmental services	781,078	717,081	736,368
Facility services	599,291	565,922	572,017
Program support	440,182	457,481	413,287
Commercial services	<u>-</u>	<u>28,461</u>	<u>28,672</u>
	<u>10,487,981</u>	<u>9,926,392</u>	<u>9,607,494</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	459,783	500,097	675,644
OTHER ITEM			
Amortization of capital assets	<u>445,784</u>	<u>472,879</u>	<u>488,234</u>
EXCESS OF REVENUES OVER EXPENSES	<u>13,999</u>	<u>27,218</u>	<u>187,410</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

	Unrestricted	Internally Restricted	Total 2026
	\$	\$	\$
NET ASSETS			
Balance - beginning of year	862,621	245,287	1,107,908
Excess of revenues over expenses	<u>27,218</u>	<u>-</u>	<u>27,218</u>
Balance - end of year	<u>889,839</u>	<u>245,287</u>	<u>1,135,126</u>

	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>

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SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

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	2026	2025
	\$	\$
ASSETS		
CURRENT		
Cash (Note 3)	4,187,071	2,205,738
Accounts receivable (Note 4)	1,467,035	717,336
Inventory	45,597	49,829
Prepays	<u>76,621</u>	<u>106,689</u>
	5,776,324	3,079,592
CONTRIBUTION RECEIVABLE	51,833	41,720
CAPITAL ASSETS (Note 5)	<u>35,929,977</u>	<u>11,842,698</u>
	<u>41,758,134</u>	<u>14,964,010</u>
ASSETS HELD IN TRUST	<u>4,530</u>	<u>11,879</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	7,677,099	3,062,617
Deferred revenue (Note 7)	<u>1,631,314</u>	<u>1,139,337</u>
	9,308,413	4,201,954
LONG-TERM DEBT (Note 8)	30,639,058	8,684,712
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	673,467	967,366
EMPLOYEE FUTURE BENEFITS (Note 10)	<u>2,070</u>	<u>2,070</u>
	<u>40,623,008</u>	<u>13,856,102</u>
NET ASSETS		
UNRESTRICTED	889,839	862,621
INTERNALLY RESTRICTED	<u>245,287</u>	<u>245,287</u>
	<u>1,135,126</u>	<u>1,107,908</u>
	<u>41,758,134</u>	<u>14,964,010</u>
RESIDENTS' TRUST ACCOUNTS	<u>4,530</u>	<u>11,879</u>
COMMITMENTS (Note 12), CONTINGENCIES (Note 13)		

Approved by the Board

_____ Director

_____ Director

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

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	2026	2025
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	27,218	187,410
Items not affecting cash		
Amortization of capital assets	472,879	488,234
Amortization of deferred capital contributions	(304,899)	(372,165)
	<u>195,198</u>	<u>303,479</u>
Changes in non-cash working capital items		
Accounts receivable	(749,699)	(276,570)
Inventory	4,232	13,567
Prepays	30,068	(60,275)
Accounts payable and accrued liabilities	4,614,482	1,591,443
Deferred revenue	<u>491,977</u>	<u>609,217</u>
	<u>4,586,258</u>	<u>2,180,861</u>
FINANCING		
Contributions receivable	(10,113)	(19,049)
Receipts of deferred capital contributions	11,000	76,906
Proceeds on long-term debt	21,954,346	8,684,712
Payments on long-term debt	<u>-</u>	<u>(1,848,299)</u>
	<u>21,955,233</u>	<u>6,894,270</u>
INVESTING		
Acquisition of capital assets	(24,560,158)	(7,427,096)
CHANGE IN CASH	1,981,333	1,648,035
CASH - beginning of year	<u>2,205,738</u>	<u>557,703</u>
CASH - end of year	<u>4,187,071</u>	<u>2,205,738</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

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:

Net assets

Unrestricted net assets

Unrestricted net assets are used for the Shoreham Village Senior Citizens Association's day-to-day ongoing activities.

Internally restricted net assets

Internally restricted net assets are restricted by the Board for specific purposes including upgrading facilities and medical equipment and funding future capital special projects.

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.

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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	10 - 50 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.

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2026

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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 has been given to the Scotiabank as collateral security for loans. At March 31, 2026, the Association's operating bank overdraft balance was \$NIL (2025 - \$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, 2026, the Association's promissory note balance was \$NIL (2025 - \$NIL).

4. ACCOUNTS RECEIVABLE	2026	2025
	\$	\$
Trade receivables	71,661	59,740
HST recoverable	1,395,924	659,396
Allowance for doubtful accounts	(550)	(1,800)
	<u>1,467,035</u>	<u>717,336</u>

5. CAPITAL ASSETS	Cost	Accumulated Amortization	Net 2026	Net 2025
	\$	\$	\$	\$
Land, including grounds				
improvements	610,092	-	610,092	609,641
Buildings	6,263,888	5,567,811	696,077	1,084,742
Building under construction	34,389,146	-	34,389,146	9,806,873
Furniture and equipment	2,819,735	2,596,949	222,786	322,781
Roadways	70,375	70,375	-	-
Vehicles	116,394	104,518	11,876	18,661
Well	<u>135,551</u>	<u>135,551</u>	<u>-</u>	<u>-</u>
	<u>44,405,181</u>	<u>8,475,204</u>	<u>35,929,977</u>	<u>11,842,698</u>

During the year, the Association capitalized \$850,181 (2025 - \$167,667) 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, 2026

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6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
	\$	\$
Trade payables	6,985,221	2,590,382
Wage accrual	262,690	342,040
Government remittances	89,232	78,885
Other payables	<u>339,954</u>	<u>225,515</u>
	<u>7,677,097</u>	<u>3,236,822</u>

7. DEFERRED REVENUE

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

	2026	2025
	\$	\$
<i>Changes in deferred revenue are as follows:</i>		
Balance - beginning of year	1,139,337	530,120
Amount recognized as revenue during the year	(8,410,346)	(7,747,795)
Amounts received related to future periods	<u>8,902,323</u>	<u>8,357,012</u>
Balance - end of year	<u>1,631,314</u>	<u>1,139,337</u>

8. LONG-TERM DEBT

Department of Municipal Affairs and Housing mortgage, with an authorized limit of \$82,439,872, secured by land and buildings with a carrying value of \$35,695,315 (2025 - \$11,501,256), 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.

	2026	2025
	\$	\$
	<u>30,639,058</u>	<u>8,684,712</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

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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.

	2026	2025
<i>Changes in deferred capital contributions are as follows:</i>	\$	\$
Balance - beginning of year	967,366	1,262,625
Amortization of deferred capital contributions	(304,899)	(372,165)
Amounts received related to future periods	<u>11,000</u>	<u>76,906</u>
Balance - end of year	<u>673,467</u>	<u>967,366</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, 2026 is \$2,070 (2025 - \$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 contributes between 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, 2026

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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, 2026 was \$440,598 (2025 - \$421,982) and was expensed as salaries and benefits by the Association.

12. COMMITMENTS

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 \$246,744 (2025 - \$237,252), 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. CONTINGENCIES

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, 2026**

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13. CONTINGENCIES (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, \$6,000 (2025 - \$3,719) 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, 2026 was \$546,968 (2025 - \$640,356).

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, Kimberly Croft, Occupational Health & Infection Control Specialist, was paid \$118,011, Emily Johnston-Smith, Manager, Nursing Services, was paid \$117,22, George Varghese, Registered Nurse, was paid 108,857, Nelli Zatserkovna, Registered Nurse, was paid \$106,223, and Shannon Corkum, Manager, Nursing Services, was paid \$106,795.

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, 2026.

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.

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, 2026

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17. SUPPLEMENTAL INFORMATION

The operating revenues and expenses for the years ended March 31, 2026 and March 31, 2025 are provided in the following format at the request of the Department of Seniors and Long-Term Care.

	Unaudited		
	2026	2026	2025
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Department of Seniors and Long-Term Care	8,855,882	8,161,828	7,367,465
Accommodation charges	1,646,161	2,010,417	1,943,419
Private per diems	376,688	-	395,946
Other	<u>44,697</u>	<u>189,382</u>	<u>174,811</u>
	<u>10,923,428</u>	<u>10,361,627</u>	<u>9,881,641</u>
EXPENSES			
Salaries			
Administration	181,361	188,174	127,422
Direct care	5,108,578	4,217,636	4,163,532
Program support	296,514	313,938	275,590
Dietary	577,444	523,857	517,959
Environmental	532,011	500,493	500,651
Maintenance	96,670	105,336	90,021
Benefits	1,744,309	1,773,413	1,742,899
Operations and Maintenance			
Administration	632,918	630,252	590,681
Direct care	360,146	692,312	625,759
Program support	14,880	15,913	14,667
Dietary	398,271	450,487	423,734
Environmental	71,763	65,541	74,004
Maintenance	473,116	420,576	431,903
Capital	<u>421,448</u>	<u>432,394</u>	<u>118,444</u>
	<u>10,909,429</u>	<u>10,330,322</u>	<u>9,697,266</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>13,999</u>	<u>31,305</u>	<u>184,375</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
SCHEDULE TO STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

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	Unaudited 2026 Budget \$	2026 Actual \$	2025 Actual \$
REVENUES			
LONG-TERM CARE			
Deferred contributions	24,336	304,899	369,791
Department of Seniors and Long-Term Care	9,232,570	7,890,628	7,758,538
Other	44,697	189,382	174,811
Resident contributions	<u>1,646,161</u>	<u>2,010,417</u>	<u>1,948,292</u>
	<u>10,947,764</u>	<u>10,395,326</u>	<u>10,251,432</u>
EXPENSES			
ADMINISTRATIVE			
Advertising	1,200	1,845	4,447
Bad debts (recovery)	-	(1,250)	5,300
Bank charges	11,400	6,179	5,392
Consulting	281,782	275,335	261,697
Employee development	1,200	2,224	7,107
In-home ceremonies	14,300	19,720	9,260
Information technology	92,768	108,608	95,028
Legal and audit	27,240	53,889	36,373
Memberships	20,952	11,118	19,058
Office supplies and postage	60,676	46,012	51,873
Salaries and benefits	238,344	237,004	170,137
Supplies	-	1,314	-
Telecommunications	24,816	29,359	25,341
Travel	<u>6,600</u>	<u>5,552</u>	<u>5,577</u>
	<u>781,278</u>	<u>796,909</u>	<u>696,590</u>
RESIDENT CARE			
Contracted services	182,118	511,314	410,015
Drugs	6,721	5,094	5,457
Employee development	-	1,287	-
Equipment maintenance	16,807	21,900	14,936
Incontinent system	73,500	64,511	68,481
Salaries and benefits	6,382,559	5,551,725	5,465,369
Supplies	81,000	67,401	96,582
Travel	-	370	150
Woundcare	<u>-</u>	<u>-</u>	<u>206</u>
	<u>6,742,705</u>	<u>6,223,602</u>	<u>6,061,196</u>
DIETETIC SERVICES			
Equipment maintenance	15,600	15,726	12,534
Food and beverages	355,768	385,760	376,966
Salaries and benefits	729,576	670,722	663,429
Supplies and small wares	<u>42,503</u>	<u>64,728</u>	<u>46,435</u>
	<u>1,143,447</u>	<u>1,136,936</u>	<u>1,099,364</u>

SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
SCHEDULE TO STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

	Unaudited		
	2026	2026	2025
	Budget	Actual	Actual
	\$	\$	\$
EXPENSES (CONTINUED)			
ENVIRONMENTAL SERVICES			
Contracted services	-	-	333
Furnishings	17,882	3,228	2,470
Garbage removal	7,380	8,103	7,711
Salaries and benefits	684,053	640,209	651,850
Supplies	71,763	65,541	74,004
	<u>781,078</u>	<u>717,081</u>	<u>736,368</u>
FACILITY SERVICES			
Cable television	10,788	12,684	10,672
Electricity	132,600	135,551	134,624
Insurance	47,868	46,752	45,275
Landscaping and snow removal	36,000	37,568	35,735
Oil	1,200	1,498	889
Pest control	1,200	1,065	1,517
Propane gas	46,800	35,930	42,613
Property taxes	79,200	63,506	80,201
Repairs and maintenance	110,046	96,564	87,040
Salaries and benefits	119,169	125,652	117,553
Supplies	14,420	9,152	15,898
	<u>599,291</u>	<u>565,922</u>	<u>572,017</u>
PROGRAM SUPPORT			
Contracted services	43,316	47,191	53,148
Salaries and benefits	383,186	396,222	349,734
Supplies	7,200	11,423	9,919
Travel	6,480	2,645	486
	<u>440,182</u>	<u>457,481</u>	<u>413,287</u>
COMMERCIAL SERVICES			
Bus	-	4,805	4,890
Commercial services	-	23,656	23,782
	<u>-</u>	<u>28,461</u>	<u>28,672</u>

**SHOREHAM VILLAGE SENIOR CITIZENS ASSOCIATION
SCHEDULE OF PROTECTED FUNDING
REVENUES AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2026**

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	2026	2025
	\$	\$
<u>Health Care</u>		
Revenue		
Protected funding		
Salaries	7,560,745	6,749,437
Travel nurse funding reductions	-	(55,686)
Protected type expenses funded outside budget	<u>29,669</u>	<u>327,199</u>
	<u>7,590,414</u>	<u>7,020,950</u>
Expenditures		
Salaries		
Direct care	3,971,940	3,887,929
Program support	481,232	406,538
Benefits	1,159,028	1,156,760
Other		
Stat. premiums and replacement time	697,616	733,581
Resident care	<u>350,641</u>	<u>248,424</u>
	<u>6,660,457</u>	<u>6,433,232</u>
Health Care excess of revenue over expenditures	<u>929,957</u>	<u>587,718</u>
 <u>Raw Food</u>		
Revenue		
Protected funding		
Raw food	323,643	316,521
Expenditures		
Raw food	<u>385,760</u>	<u>376,966</u>
Raw Food deficiency of revenue over expenditures	<u>(62,117)</u>	<u>(60,445)</u>
Total due to Department of Seniors and Long-term Care	<u>867,840</u>	<u>527,273</u>