



RÉSIDENCE WALES HOME

Author: Brendalee Piironen

ANNUAL REPORT

2024-2025

WALES
RÉSIDENCE · HOME
Comfort, Care and Countryside

Résidence Wales Home

One Hundred and Sixth Annual Report

info@waleshome.ca

<https://waleshome.ca>

***“The residents do not live in our workplace; we work in
their home.”***

506, Route 243 North
Cleveland (Québec) J0B 2H0

April 1st, 2024, to March 31st, 2025

Table of Contents

| | |
|--|-----------|
| Our Mission | 3 |
| OUR VALUES | 3 |
| Executive Committee | 4 |
| Achievements | 5 |
| Organizational Chart | 6 |
| Executive Director and President's Report | 7 |
| Buildings and Grounds Committee Report | 9 |
| Nursing Department Report | 13 |
| Director of Administrative Services' Report | 14 |
| Human Resources Indicators | 19 |
| Nominating Committee Report | 20 |
| Risk Management Committee Report | 21 |
| Ladies' Auxiliary Report | 26 |
| Resident Profile | 28 |
| Governors | 29 |
| Financial Statements | 30 |
| | |

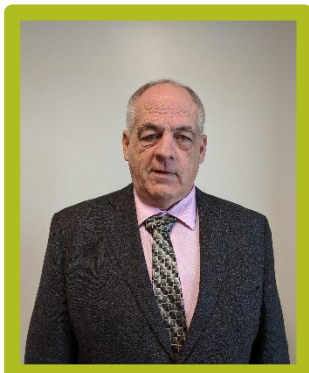
Our Mission

The Résidence Wales Home is committed to respecting seniors' dignity by providing them with a clean, safe, and secure homelike environment that promotes independence, friendship, and comfort for its residents and provides a welcoming atmosphere for their friends and families. The Résidence Wales Home accomplishes its mission with a valuable team of skilled employees, volunteers, other healthcare professionals, and community partners.

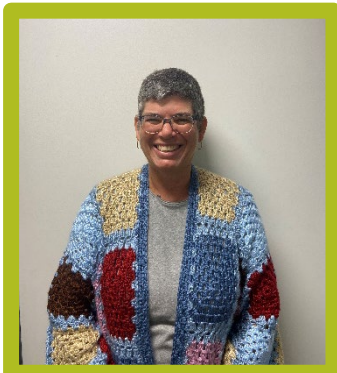
OUR VALUES

- *Compassion*
- *Innovation*
- *Integrity*
- *Respect*
- *Teamwork*

Executive Committee



Norman Carson
President



Pauline Jubinville
Vice-President



Brendalee Piironen
Secretary
Executive Director



Denis Beaubien



Chantal Boisvert



Sylvie Fowlis



Marcien Gaudet



Martin Taylor

Achievements



Aviva Community Fund
Supporting what's important to you



Prix
Résidence de l'année
2013 100 unités et plus



LES PRIX D'EXCELLENCE
DU RÉSEAU DE LA SANTÉ ET DES SERVICES SOCIAUX



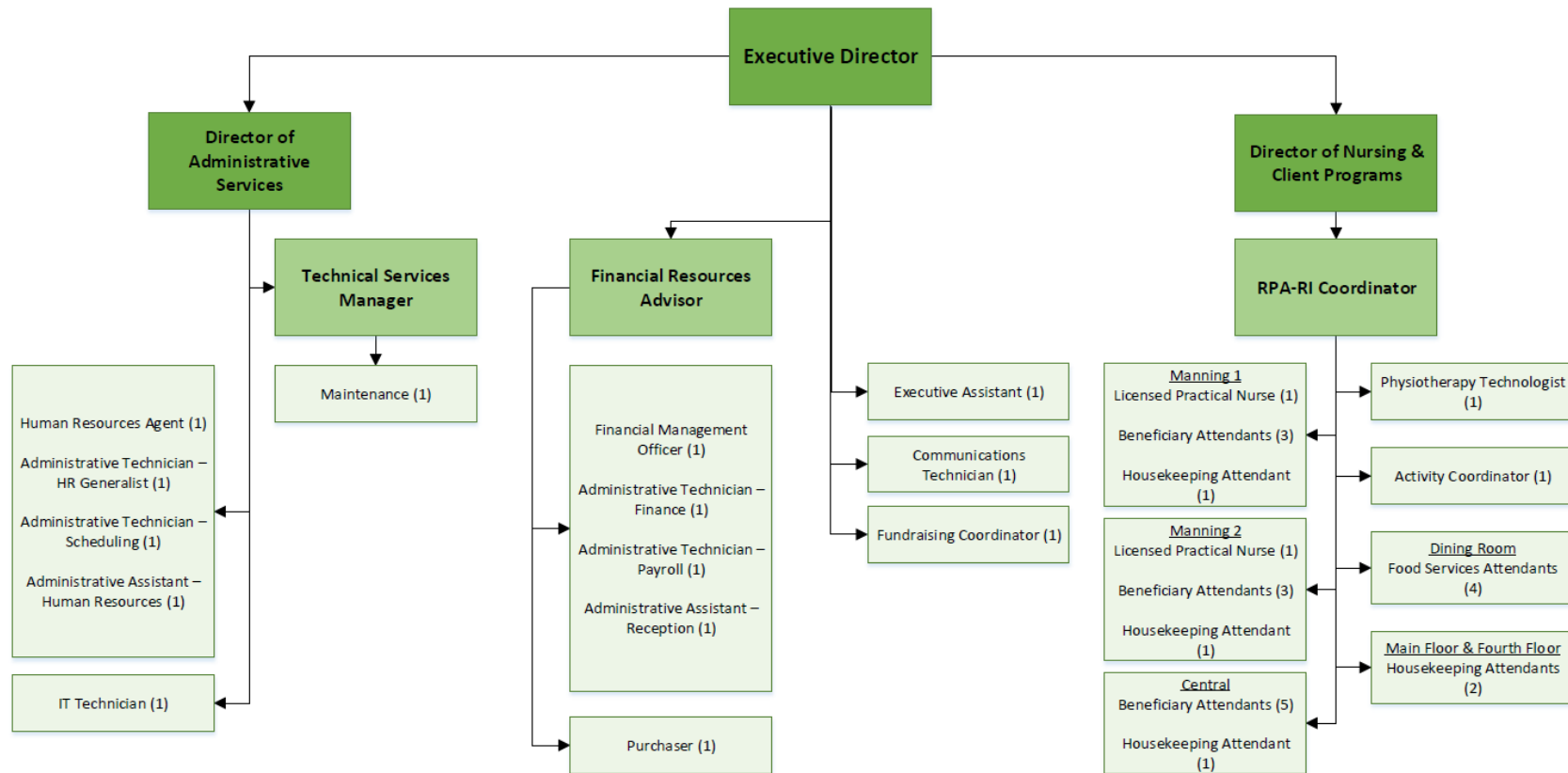
Most innovative Corporation 2015



2018 Recreation and Quality of Life Award
Fédération québécoise du loisir en institution

Organizational Chart

Résidence Wales Home Operational Chart



Executive Director and President's Report

Across the globe, 2024 was yet another year of significant challenges for all healthcare facilities. As a non-profit seniors' residence, our mission has long been to provide a clean, safe, and secure homelike environment for seniors that respects their dignity and promotes independence, friendship, and comfort. However, we are now facing serious financial constraints that threaten our ability to fulfill our mission without significant changes.

On November 21st, 2023, a financial agreement was signed with the government of Quebec as part of the harmonization of the CHSLD Wales Inc. Practically, this agreement is meant to cover the costs of operating our long-term care facility, inclusive of any financing costs related to mortgage debt. Despite careful stewardship of our resources, government funding for the CHSLD has not kept pace with the actual cost of delivering quality care and essential services. At the same time, the level of debt we carry — much of it incurred to improve and expand our facilities in past years — has grown unsustainable under current economic conditions. Specifically, the investment in the Ross building with costs overruns, the project took more time to build than planned all of which were impacted heavily by the pandemic crisis.

During the past fiscal period, the organization has continued to experience financial pressures that resulted in breach of certain loan covenants under its credit facility. Our lender subsequently granted a forbearance agreement. We are in active and constructive discussions with the lender regarding renewal and longer-term restructuring of our credit arrangement.

These pressures have impacted our operations, our planning, and our ability to invest in long-term improvements. We recognize the seriousness of the situation and have taken immediate steps to respond. The Board and Management, with support from the Foundation, have taken prudent steps to manage liquidity and to protect the organization's operations and stakeholders' interests. We are working closely with our financial and legal advisors to ensure a sustainable solution.

Government policies are making it more difficult to recruit and maintain immigration employees and at the end of the year they announced that as of October 19th, 2025, all healthcare institutions in Estrie will no longer be allowed to use Agency employees to fill vacant positions. Our teams will have to navigate in recruiting to permanently fill these positions or we will have to find alternate solutions.

Throughout the past year, our guiding principles remain clear: we put people first, act with integrity, and remain accountable to the community we serve. We are committed to maintaining core services and ensuring that every resident continues to receive the care and compassion they deserve. Although we had a very challenging year, we have never stopped doing all the things we should be doing to serve our residents and our community. What we have achieved in the past 100 years is evidence of the importance of our values and our mission. We believe that with our commitment and support from our community, we will stay strong together for our collective benefit. It won't be easy, but as the wise saying states, nothing good is ever easy.

We are deeply grateful to our staff, volunteers, families, and partners who continue to support us during this difficult period. We are working actively toward a more sustainable financial future — one that will allow us to uphold our mission for years to come where we will continue to serve and care for our seniors. We believe that next year at this time, we will report that the oldest senior's residence in the province of Quebec has solved its financial challenges and is now focusing on strategic vision and honoring the legacy of Mr. Horace Wales of providing outstanding healthcare and services to the English community for the next 100 years. Thank you for your continued trust and solidarity.

Respectfully submitted,



Norman Carson
President



Brendalee Piironen
Secretary/Executive Director

Buildings and Grounds Committee Report

Last year, for the 2024 Annual General Meeting, the Buildings and Grounds (B&G) Committee appealed for donations from its stakeholders and the dispersed communities primarily serviced by the Résidence Wales Home. That message bears repeating and remains so very important, with a huge impact on specific infrastructure achievements under the B&G Committee's watch.

We consistently report herein that, with your financial assistance, the Wales Home defined, launched, and, over the past ten years, implemented an amazing renewal identified as a Transformation for the Next Century. Of course, the pandemic caused interruptions, and we encountered staffing shortage issues and very serious challenges regrettably imposed by our financial institution, but the outstanding infrastructure results nonetheless speak most eloquently and serve to further characterize the Wales Home as a leader and the future of senior care. These transformations were of critical importance during the pandemic and position the Wales Home well for the future once the current financial challenges are resolved. We are grateful to our many benefactors who made this journey possible, especially during these quite difficult times.

The following details summarize the many projects overseen by the B&G Committee:

1. The strategic front-of-house expansion containing centralized administrative offices, wellness therapy center, expanded dining room, more efficient shipping and receiving center, and an eco-responsible waste management center
2. The CHSLD expansion from eighty-four to a more efficient ninety-six beds, including larger private bedrooms and private washrooms, more resident lounging and dining space, along with improved air quality and a healthy, comfortable environment
3. The comprehensive renewal of our original, one hundred-year-old Central building to create an innovative twelve-bed specialized Ressource Intermédiaire unit for residents in the early stages of dementia
4. The extensive, strategic renewal of our Shaw and Manning ambulatory rooms to create larger bedrooms better serving the mobility-challenged and eliminating inadequate and tiny, shared washrooms essentially inaccessible to the mobility-challenged
5. The expansion and renewal of our aging laundry room to incorporate superior capacity and efficiency machines and a design reconfiguration for effective infection control

-
6. The expansion of our Main Living Room along with a welcome rear courtyard for better resident lounging and therapy or social activities, along with numerous associated measures to enable handicapped accessibility
 7. The construction of the Ross Phase 1 with forty-two apartments and outstanding wellness amenities

From an infrastructure perspective, these expansions doubled the Wales's previous physical size from 115,000 to 235,000 square feet, which, along with major and mostly quite essential renewals, considering that so much of the Wales Home facility was at the end of its useful life, contributes strongly to improved labor efficiencies and operational economies. Not including the Ross's 75,000 square feet, the Wales increased forty percent to 160,00 square feet while reducing energy consumption.

That work is not fully complete, however, and the Wales Home needs your financial support to implement these important residual projects to conclude the promise of an effective Transformation for the Next Century. The intended remaining projects include but are not limited to:

1. Complete the sixty-year-old Shaw Wing renewal, levels three and four, mindful that most fitments are understandably at the end of their useful life and that most space configurations reflect an antiquated function for staff housing, over the years revised into RPA resident apartments, suites, and rooms
2. Install an appropriate ventilation system and associated renewal of the Shaw and Manning corridors, mindful that the past and current installations do not supply healthy fresh outside air, which is a serious deficiency
3. Complete undertakings of lessor incremental scale but nonetheless of great strategic importance, including:
 - a. The completion of our recycling center, including for baling cardboard to reduce attendant labor cost and pickup charges, representing an approximate one-year payback of capital investment
 - b. The correction of electrical grounding makes us aware that this stalled project costs us damage to electrical and electronic equipment with each storm and prevents integrating the facility into a single electrical service that would reduce our energy utility charges, representing an approximate one-year payback of associated capital investment
 - c. The geo-exchange interchange between the Ross and Shaw/Manning. The Wales Home is not presently proceeding with the Ross Phase 2, resulting in

a substantial surplus of geo-exchange capacity. We intend to interface this surplus with the existing Shaw/Manning heating installations to reduce energy consumption costs by an estimated \$50,000.00 per year, reduce our dependency on petroleum products, namely propane, and to strategically continue reducing our overall operating costs

- i. These three, especially eminently, make good business sense and the above-noted residual projects would essentially conclude the Transformation for the Next Century that was defined ten years ago; some might ask at this stage whether noteworthy omissions might be recognized. None of the following is realistic, financially feasible, or being considered at this time, but is nonetheless a worthwhile exercise, especially for an AGM interested not only in the status snapshot but also the recent past leading up to current and a focus on the future to speculate as to what might possibly come next. The following therefore remain theoretical future considerations:
4. Notwithstanding that many semi-private accommodations with shared washrooms yet exist in this province and elsewhere in the country, the construction of a further expansion to the CHSLD of eighteen resident rooms would result in the Wales containing only private bedrooms with in-suite private washrooms
5. The Wales Home has converted its one-hundred-year-old Central into a specialized twelve-bed Ressource Intermédiaire (RI) accommodation for residents suffering from dementia but physically in reasonably good health. Considering a consistently increasing demand for such specialized care to many suffering from dementia, the Wales Home might wish to build a few more similar units
6. The Wales Home site includes some buildings remaining from when the Wales Home Farm still existed: a calf barn, a seven bay storage shed, and a house, which have been maintained and are in good condition. They were quite valuable during the Ross construction, especially due to the pandemic. This old but solid house currently remains empty and needs renovation but could be converted into a standalone daycare center that might attract and retain staff with young families. The intention is to offer a renovated daycare facility to a private operator
7. The Wales Home has substantially invested in the Ross Phase 2. Considering the difficulties encountered with bureaucratic authorities blocking its logical intended status as an RPA expansion to the Wales Home, and the contributed difficulties attracting residents, which translates into financial challenges, Phase 2 is

impractical at this time despite substantial investments. This report respectfully submits that Phase 2 should be considered in the future, as a smart business move, attracting significant profitability from amenities already built. That was the project concept, so the day may yet come.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Marcien Gaudet', is centered on the page.

Marcien Gaudet

Chairperson

Nursing Department Report

The 2024-2025 year was marked by our perseverance in the face of manpower shortages, requiring adaptation of our clinical organization. Building on last year's work, we continued to implement the Collaboration Agreement with the CIUSSS de l'Estrie-CHUS.

This work led to a major clinical reorganization within our residence, including the removal of the on-site nurse position, the addition of an RPA-RI Coordinator, and the establishment of a structured partnership with the CIUSSS de l'Estrie-CHUS home support and CLSC teams. This integrated collaboration ensures continuity of safe quality care for our residents and fosters collaborative work and inter-institutional partnerships. I would particularly like to highlight the quality of this partnership, which to date has proven to be both solid and efficient.

With optimization as a common goal, we also supported our beneficiary attendants in the obtention of their Law 90 competence. This approach enables us to manage clinical schedules with greater agility while ensuring we provide care that respects residents' needs and complies with professional standards.

Moreover, we significantly strengthened our risk management. The RPA-RI Coordinator's active participation in the Risk Management Committee, combined with rigorous performance indicator monitoring, now gives us a better understanding of clinical and organizational issues, enabling us to intervene proactively and support continuous improvement culture.

Another major improvement is the introduction of a procedure to follow up on service exceedances sent to the CIUSSS. This procedure makes it possible to strengthen and optimize coordination within the RPA and CHSLD management team, enabling better control and prioritization of internal transfers between the RPA, RI, and CHSLD. We can now identify residents proactively, reducing the time required for the CIUSSS to take charge, and facilitating the resident's relocation to the appropriate environment that meets their needs.

Finally, I would like to extend my warmest thanks to our team for their commitment, professionalism, and adaptability. Thanks to them, we succeed day after day in offering care that is imprinted with humanity, rigor, and compassion. Together, we continue to develop our environment with respect for the people who live and work here. Thank you for your invaluable contribution.

Respectfully submitted,



Audrey Beauchesne
Director of Nursing and Client Program

Director of Administrative Services' Report

Human Resources:

The new job structure was updated at the beginning of the year; the nursing position was eliminated and the job holder left in mid-May 2024. Our LPNs with positions are still part of our staff. These positions were therefore not converted by attrition. Beneficiary Attendants were trained for additional delegations under Law 90's auspices. The new structure was officially implemented with the RPA-RI Coordinator's arrival in October 2024.

Recruitment:

Our recruitment efforts through collaboration with a specialized international recruitment firm ended abruptly with this firm's closure. The two expected Beneficiary Attendants therefore did not join our team.

Since September 2024, we have dedicated more resources to recruitment. We increased our posting rate, our response to candidates is faster, we screen the applications received before inviting them for interviews, etc. Very recently, we opened our selection to beneficiary attendants who do not have the required Law 90 certification. If they are open to this training, we will coordinate for them and cover costs, provided they agree to stay with us for a certain period. This measure has not yet been implemented. For clinical staff, we also made a special notice aimed at placement agency personnel since we will no longer be able to use this staff starting in October 2025 and they will therefore have to find employment in RPAs and RIs, among other places.

Various statistics

In March 2023, the CHSLD Wales Inc. became a private, "conventionné" establishment. From a human resources point of view, working conditions in this type of establishment are very different from those which still exist in the RPA-RI. Therefore, we have gradually moved towards creating two employers. Thus, in 2024-2025, as announced last year, we are now able to produce statistical data and even indicators that are specific to the RPA-RI, unlike last year. On the one hand, this change is very positive. On the other hand, we unfortunately cannot make comparisons with last year because the statistics did not discriminate between the CHSLD, RI, and RPA.

Although this year's data compares somewhat to the previous year, we will still note that our turnover rate has decreased significantly for the third consecutive year, going successively from thirty-five percent in 2022-2023 (CHSLD, RPA-RI) to twenty-seven percent in 2023-2024 (CHSLD, RPA-RI) to twenty-two percent in 2024-2025 (RPA-RI). This

performance is very good because the number of RPA-RI employees is lower than that in the CHSLD-RPA-RI, which means that any departure has a greater impact on the turnover rate. Also, we must not forget that over the past year, the RPA experienced a significant change in position structure and in operation mode at the clinical level connected to signing the CIUSSS de l'Estrie – CHUS contract, intensifying our collaboration with the latter to deploy the expected service offer.

| Turnover Rate | | | |
|-------------------------|--|----------------------|---------------|
| Year | Number of Employees on April 1 st | Number of Departures | Turnover Rate |
| April 2022-March 2023* | 179 | 62 | 35% |
| April 2023-March 2024* | 180 | 48 | 27% |
| April 2024-March 2025** | 54 | 11 | 22% |

*CHSLD, RPA, and RI **RPA-RI only

Among the departures, 45.5 percent are resignations for personal reasons, including those related to the reorganization that took place in recent years. Other departures are dismissals, end of contract, or end of probation.

| Reason for Leaving | 2022-2023* | 2023-2024* | 2024-2025** |
|---------------------------|------------|------------|-------------|
| Personal reasons | 46 | 32 | 5 |
| Retirement | 0 | 4 | 0 |
| Dismissal | 13 | 9 | 3 |
| End of contract/probation | 0 | 2 | 3 |
| Other | 3 | 1 | 0 |
| Total | 62 | 48 | 11 |

*CHSLD, RPA, and RI **RPA-RI only

Occupational Health and Safety:

The policy for promoting civility and preventing harassment and violence in the workplace has been available since April 2024. A presentation was made for the employees.

A survey on the presence of violence in the workplace was also carried out in August 2024. An action plan was developed following result analysis. For the human resources component of the survey, the plan aims to develop a common understanding of the different types of violence that can exist in the workplace and to ensure the policy is well-known to current and newly hired employees.

The Occupational Health and Safety Committee was established during the year in compliance with amendments made to the corresponding law. A health and safety representative is liberated from their regular duties one day every two weeks to carry out their role.

Attendance:

We processed more sick leave cases in 2024-2025 than the previous year, but we are starting the 2025-2026 year with just one case. We had three CNESST files in 2024-2025 compared to none last year. All three are resolved, however, so we begin the 2025-2026 year with no CNESST cases.

We have not had any preventive withdrawals this year. We had one maternity leave compared to two last year. We are starting the year without any ongoing maternity leaves.

We have a good attendance rate. Here is a table comparing last year's work attendance data with this year's:

| Type of Absence | Number of Files as of April 1, 2023 | Number of Files as of April 1 st , 2024 | Number of Files as of March 31 st , 2024 | Number of Files as of March 31 st , 2025 | Number of Files Closed in 2023-2024 | Number of Files Closed in 2024-2025 | Total Number of Files in 2023-2024 | Total Number of Files in 2024-2025 |
|--|-------------------------------------|--|---|---|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| Sick leave | 2 | 2 | 2 | 1 | 6 | 9 | 8 | 10 |
| CNESST including temporary assignments | 0 | 0 | 3 | 0 | 0 | 0 | 3 | 0 |
| Preventive withdrawal | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 0 |
| Maternity/parental leave | 2 | 1 | 1 | 0 | 2 | 1 | 3 | 1 |

Stagiaires:

This year, we welcomed students from two education institutions, compared to three last year. In fact, we did not welcome any stagiaires from Champlain College in special education or beneficiary attendants from other educational institutions. For beneficiary attendants, we decided to welcome stagiaires from teaching programs recognized by the National Education system only.

We significantly increased our number of stagiaires this year, due to our collaboration with the Cégep de Sherbrooke training program for physiotherapy technologists. These stagiaires worked in both the CHSLD and RPA-RI, however. This collaboration allowed us to optimize our service offerings in this sector, which is a real asset for our residents. Otherwise, we welcomed LPN students following a collaboration which resumed this year with the Lennoxville Vocational Training Centre (LVTC).

| | LVTC | | Champlain College | | Cégep de Sherbrooke | | Other | | Total | |
|------------------------------|-----------|-----------|-------------------|-----------|---------------------|-----------|-----------|-----------|-----------|-----------|
| | 2023-2024 | 2024-2025 | 2023-2024 | 2024-2025 | 2023-2024 | 2024-2025 | 2023-2024 | 2024-2025 | 2023-2024 | 2024-2025 |
| Beneficiary Attendants | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 |
| LPNs | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Assistant Head Nurses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Physiotherapy Technologists | 0 | 0 | 0 | 0 | 7 | 22 | 0 | 0 | 7 | 22 |
| Special Education Technician | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Total | 0 | 3 | 1 | 0 | 7 | 22 | 1 | 0 | 9 | 25 |

Technical Services:

Functional Renovations/Asset Maintenance:

No major work was carried out this year. We hope to be able to complete the waste disposal centre next year.

Hardware Installations:

We were able to recruit maintenance workers during the year, and our team is now complete. Team dynamics are being built, and learning is ongoing for new staff. We even hired a replacement for an upcoming July 2025 retirement. We have nevertheless called

upon our generous volunteers who carry out various tasks like snow removal, sweeping parking lots in spring, removing snow removal markers, transplanting in gardens, and more.

IT Services:

Several departments implemented or migrated to the request management system that the IT Department is already using, for security reasons. Data is stored locally on our own servers rather than on the cloud. Thus, the maintenance, purchasing, and payroll departments now use this system.

Resident access to Chromecast/AirPlay via WiFi for visitors was problematic; issues have been resolved. We purchased Chromecast with Google TV to allow RI residents to have access to streaming services.

Respectfully submitted,



Chantal Richer

Director of Administrative Services

Human Resources Indicators

| Employees by Job Title | | |
|-------------------------------|---------------------|-------------------------------|
| Job Title | Number of Employees | Percentage of Total Employees |
| Beneficiary Attendants Law 90 | 18 | 38% |
| Food Service Attendants | 12 | 26% |
| Housekeeping Attendants | 8 | 17% |
| Licensed Practical Nurses | 4 | 9% |
| Fundraising Coordinator | 1 | 2% |
| Gerontology Technician | 1 | 2% |
| Maintenance Worker | 1 | 2% |
| Physiotherapy Technologist | 1 | 2% |
| RPA-RI Coordinator | 1 | 2% |
| Total | 47 | 100% |

| Employees' Place of Residence | | |
|-------------------------------|---------------------|-------------------------------|
| City/Town | Number of Employees | Percentage of Total Employees |
| Richmond | 22 | 47% |
| Melbourne | 7 | 15% |
| Sherbrooke | 6 | 13% |
| Cleveland | 3 | 6% |
| St-Felix de Kingsey | 3 | 6% |
| Danville | 2 | 4% |
| Orford | 1 | 2% |
| Valcourt | 1 | 2% |
| Val-des-Sources | 1 | 2% |
| Windsor | 1 | 2% |
| Total | 47 | 100% |

Nominating Committee Report

| Nominating Committee | |
|----------------------|--------------------|
| Member | Role |
| Norman Carson | President |
| Brendalee Piironen | Executive Director |
| Carolyn Leonard | Member |

Risk Management Committee Report

Having a Risk Management Committee is of the utmost importance within Résidences privées pour aînés (RPAs) and Ressources intermédiaires (RIs), as these types of facilities prioritize safe, quality care that meet residents' specific needs. Last year, the separation of the Wales entities led to the Committee's governance reorganization. This transition strengthened our ability to identify, assess, and manage risks in a proactive way.

In line with this reorganization, the Risk Management Committee's composition was enhanced by the appointment of a dedicated RPA-RI Coordinator. She is now an integral part of the Committee, bringing valuable field expertise to the analysis of operational risk situations and the development of improvement plans. The RPA-RI Coordinator's participation in the CHSLD Risk Management Committee provides a transversal view of issues at hand and enables us to work collaboratively where necessary. This year, the Risk Management Committee met monthly. The Committee is comprised of me as Director of Nursing and Client Program, the two CHSLD Unit Managers, and the RPA-RI Coordinator.

To ensure rigorous monitoring of the quality and safety of care and services, performance indicators are systematically analyzed. Clear, visually accessible dashboards were implemented in both the RPA and RI, enabling employees, residents, and their families to track results. These actions testify to our collective commitment to a proactive risk management culture, rooted in rigor, transparency, and continuous improvement.

Falls

This year, we observed a two percent increase in falls compared with last year in the RPA. Since the RPA-RI Coordinator's arrival, we observed a significant thirty-eight percent decrease in falls with an EI or higher severity. The months in which the falls were more numerous coincided with periods when some residents became frequent fallers, leading to transfers to care environments better suited to their needs, notably the CHLSD. Seventy-five percent of falls resulted in no major injuries. Fall follow-ups are now an integral part of our partnership with the CIUSSS de l'Estrie – CHUS, thus promoting a proactive, safe approach adapted to residents' needs. We began tracking falls in the RI this year, which will enable us to monitor them more closely and be much more proactive.

Fall Comparison in the Past Five Years – RPA

| | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | |
|--|-----------|-----------|-----------|-----------|-----------|------|
| Number of Falls | 118 | 159 | 162 | 129 | 131 | ↑2% |
| Number of Falls with EI or Higher Severity | N/A | N/A | N/A | 54 | 33 | ↓38% |

Fall Comparison in the Past Five Years – RI

| | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Number of Falls | N/A | N/A | N/A | N/A | 18* |

*This number is from October 2024 to March 2025.

Medication Circuit

Compared with last year, there was a forty percent increase in medication errors. Incident/accident report analysis highlights specific issues related to medication omissions. These findings enabled us to react quickly and collaborate closely with CIUSSSE-CHUS professionals to perform clinical assessments to ensure that our residents take their medication properly and safely. We also worked closely with Familiprix Richmond to modify and adapt medication administration sheets (FADMs) to the RPA's specific reality and care structure. This concerted approach ensured that the Beneficiary Attendants Law 90's expertise in medication administration and distribution was respected. For the RI, we started recording the number of medication errors this year, which will enable us to monitor them more closely and be much more proactive.

Medication Error Comparison in the Past Five Years – RPA

| | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|------|
| Number of Medication Errors | N/A | 56 | 29 | 36 | 58 | ↑40% |

Medication Error Comparison in the Past Five Years – RI

| | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Number of Medication Errors | N/A | N/A | N/A | N/A | 14 |

Control Measures

No control measures were implemented in 2024-2025. Only one resident benefited from a short period of intensive therapeutic monitoring (ITM) to ensure safety related to fall risk.

Preventing Elder Abuse

A situation of financial abuse was reported by the RPA team. Concrete action was quickly taken to ensure the concerned resident's safety and protection. No similar situations were reported in the RI.

Reports of Elder Abuse – RPA:

| | 2023-2024 | 2024-2025 |
|------------------|-----------|-----------|
| Reports of Abuse | 2 | 1 |

Reports of Elder Abuse – RI

| | 2023-2024 | 2024-2025 |
|------------------|-----------|-----------|
| Reports of Abuse | 0 | 0 |

Infection Prevention and Control (IPC)

Continuing from last year's hand hygiene training sessions, audits were regularly performed in the RPA. The RI was subsequently integrated during the last quarter of the year. The RI team is currently adapting to the new practice. Evaluations were carried out bimonthly for each environment. A review of clinical work tools was also done to reinforce approaches and ensure consistency with best practices.

Rates of Hand Hygiene Conformity in the RPA-RI

| | 2023-2024 | 2024-2025 |
|-----|-----------|-----------|
| RPA | 0 | 54.67% |
| RI | N/A | 37.5% |

A partnership was also developed with the CIUSSS de l'Estrie-CHUS infection prevention and control team to support and share their expertise with our Nursing Advisor. For a certain period during the winter, staff working directly on the care units were required to wear masks to ensure better control and reduced spread of viruses, for resident and employee safety. The recorded outbreaks occurred during the summer period, which consisted of four COVID-19 outbreaks and one respiratory tract infection outbreak. So few outbreaks are a testament to the rigorous monitoring and proactive management of infectious risks.

Summary of Gastroenteritis Outbreaks

| Unit | Residents Affected | Residents Deceased | Employees Affected | Outbreaks |
|----------------|--------------------|--------------------|--------------------|-----------|
| Central | 0 | 0 | 0 | 0 |
| Manning/Shaw 1 | 0 | 0 | 0 | 0 |
| Manning/Shaw 2 | 0 | 0 | 0 | 0 |
| Shaw 4 | 0 | 0 | 0 | 0 |
| Apartments | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

COVID-19 Outbreak Summary

| Unit | Residents Affected | Residents Deceased | Employees Affected | Outbreaks |
|----------------|--------------------|--------------------|--------------------|-----------|
| Central | 0 | 0 | 0 | 0 |
| Manning/Shaw 1 | 15 | 0 | 2 | 1 |
| Manning/Shaw 2 | 14 | 0 | 2 | 1 |
| Shaw 4 | 4 | 0 | 0 | 1 |
| Apartments | 2 | 0 | 0 | 1 |
| Total | 35 | 0 | 4 | 4 |

Respiratory Virus and Infection Outbreak Summary

| Unit | Residents Affected | Residents Deceased | Employees Affected | Outbreaks |
|-------------------|--------------------|--------------------|--------------------|-----------|
| Central | 0 | 0 | 0 | 0 |
| Manning/Shaw 1 | 2 | 0 | 0 | 1 |
| Manning/Shaw 2 | 2 | 0 | 0 | 0 |
| Shaw 4 | 0 | 0 | 0 | 0 |
| Apartments | 0 | 0 | 0 | 0 |
| Total | 4 | 0 | 0 | 1 |

I would like to highlight the RPA and RI teams' exceptional commitment throughout the year. Thanks to their professionalism, rigor, and collaboration, we were able to maintain a high level of quality and safety in care and services while implementing innovative practices focused on our residents' needs. Our infection prevention and care coordination initiatives bear witness to our shared commitment to providing a safe, humane, and caring environment.

Thank you to our staff, partners, and families for their invaluable contributions. Together, we will continue our efforts to improve our services in a respectful, solid, and excellent manner.

Respectfully submitted,



Audrey Beauchesne

Chairperson

Ladies' Auxiliary Report

One of the largest groups of volunteers at the Wales since its inception, the Ladies' Auxiliary now has fourteen members, including the Executives. The auxiliary holds three meetings per year, in April, June, and November. The group's main purpose is to raise funds through different activities while allocating revenues to various Wales departments to benefit residents.

One of the most prevalent activities that originates from the auxiliary is the Friday afternoon tea parties. Sixteen tables decked with tablecloths and classic cups and saucers are set up in the Main Living Room each second week on Friday afternoons, except for July, August, and December. Different community groups serve home baked treats and many cups of tea. Special tea parties are also organized five times annually in the CHSLD, where members serve treats for Easter, strawberry season, Halloween, Christmas, and Valentine's Day.

Monthly birthday parties are also organized by the community groups or the auxiliary on the third Wednesday of each month, where residents receive a birthday card from that month's organizers. For example, in February and March, the auxiliary was responsible, so homemade cards were given to each celebrant.

The auxiliary oversees the Wales Home Tuck Shop. The Shop is open on Tuesdays and Fridays and is restocked by external sources. The Shop earns about \$3,400.00 annually and, this year, tax rebates amounted to \$439.45 for nine months. Profits are eventually returned to the Wales to benefit the residents.

Another Ladies' Auxiliary activity is Christmas shopping for residents. The expenses for 2024 were \$2,649.63. With other volunteers' help, we began shopping in October. Christmas cards were sent to each resident on the Auxiliary's behalf.

The Auxiliary's main fundraiser is the Silent Auction held annually in May. The total amount raised for 2024 was \$9,838.00. At the Ladies' Auxiliary annual meeting in June, the group normally decides how funds raised should be spent to produce the greatest benefits for residents. This year, \$7,500.00 was allocated to the Activity Department to organize entertainment for residents and a smaller item included flowers for door number six.

These events and purchases are made possible due to our members, their families, and our community's dedication. The Auxiliary continuously recruits new members, so if you are interested, please contact the Gerontology Technician.

Respectfully submitted,



Jane Carson, Treasurer

| Ladies' Auxiliary Executives | |
|------------------------------|-----------|
| Member | Role |
| Joyce Cinnamon | President |
| Margot Langeveld | Secretary |
| Jane Carson | Treasurer |

Resident Profile

| Age | Number of Residents |
|--------------|---------------------|
| <65 | 3 |
| 65-74 | 9 |
| 75-84 | 35 |
| 85-94 | 47 |
| 95+ | 10 |
| Total | 104 |

| Sex | Number of Residents |
|--------|---------------------|
| Male | 32 |
| Female | 72 |

| Age | |
|-------------|------|
| Oldest | 103 |
| Youngest | 59 |
| Average age | 84.7 |

| Year | Deceased | | | Leave of Absence | | |
|-----------|----------|------|-------|------------------|------|-------|
| | Female | Male | Total | Female | Male | Total |
| 2019-2020 | 1 | 0 | 1 | 6 | 1 | 7 |
| 2020-2021 | 3 | 3 | 6 | 5 | 2 | 7 |
| 2021-2022 | 4 | 3 | 7 | 4 | 7 | 11 |
| 2022-2023 | 5 | 1 | 6 | 4 | 4 | 8 |
| 2023-2024 | 3 | 2 | 5 | 8 | 3 | 11 |
| 2024-2025 | 7 | 1 | 8 | 6 | 1 | 7 |

| Year | Average Age of Death | |
|-----------|----------------------|------|
| | Female | Male |
| 2019-2020 | 93.0 | N/A |
| 2020-2021 | 88.2 | 84.5 |
| 2021-2022 | 88.0 | 88.7 |
| 2022-2023 | 88.9 | 82.6 |
| 2023-2024 | 90.3 | 90.5 |
| 2024-2025 | 85 | 81 |

Governors

- **Alberta**
 - Nils Bodtker
- **Baltimore:**
 - Chantal Boisvert
- **Cleveland**
 - Gerald Badger
 - Keith Baldwin
 - Lee Gale
 - Marcien Gaudet
 - Angus Goodfellow
 - Ronald Husk
 - Pauline Jubinville
 - Brendalee Piironen
- **Danville**
 - Glenn Brock
 - Reg Jennings
 - Ian Smith
- **Drummondville**
 - Robert Taylor
- **Eastman**
 - Louis-Marie Decoste
- **Hatley**
 - Michael Bradley
- **Hudson**
 - John de Sévigné
- **Kingsbury**
 - Edwin Fowler
- **Kingsey Falls**
 - Susan Mastine
- **Lennoxville**
 - W. L. Lyons
- **Magog**
 - Mike Chabot
 - Yves Ferrons
- André Leblond
 - Barbara Verhoef
- **Melbourne**
 - Peter O'Donnell
 - Shirley Smith
- **Montréal**
 - Martin Taylor
- **North Hatley**
 - E. Davis
- **Richmond**
 - Hugh Bieber
 - Norman Carson
 - Jeff Dunn
 - Ralph Farley
- **Saint-Félix-de-Kingsey**
 - Joyce Cinnamon
- **Sherbrooke**
 - Bruce D. Allanson
 - Sylvie Fowlis
 - Sandra Gagné
 - Philippe Leng
 - Carolyn Leonard
 - Randy Little
 - Sean McKenna
 - James Thompson
- **South Durham**
 - Adair Mountain
- **St-Élie**
 - Shirley Billing
- **Val-des-Sources**
 - Denis Beaubien
- **Windsor**
 - Malcolm Wheeler

The Wales Home - Foyer Wales
Non-consolidated Financial Statements
March 31, 2025

The Wales Home - Foyer Wales
Non-consolidated Financial Statements
March 31, 2025

| | |
|--|--------|
| Independent Practitioner's Review Engagement Report | 2 - 3 |
| Financial Statements | |
| Non-consolidated Operations | 4 |
| Non-consolidated Changes in Net Assets | 5 |
| Non-consolidated Cash Flows | 6 |
| Non-consolidated Financial Position | 7 |
| Notes to Non-consolidated Financial Statements | 8 - 15 |
| Non-consolidated Schedule | 16 |

Independent Practitioner's Review Engagement Report

**Raymond Chabot
Grant Thornton LLP**
Suite 350
2207 King Street West
Sherbrooke, Quebec
J1J 2G2

T 819-822-4000
Toll-free: 1-800-567-6958

To the Directors of
The Wales Home - Foyer Wales

We have reviewed the accompanying non-consolidated financial statements of The Wales Home - Foyer Wales, which comprise the statement of non-consolidated financial position as at March 31, 2025 and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on these non-consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these non-consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these non-consolidated financial statements do not present fairly, in all material respects, the financial position of the Organization as at March 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 to the non-consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Organization's ability to continue as a going concern.

*Raymond Chabot Grant Thornton LLP*¹

Sherbrooke
November 5, 2025

¹ CPA auditor, public accountancy permit no. A124217

The Wales Home - Foyer Wales

Non-consolidated Operations

Year ended March 31, 2025

| | <u>2025</u> | <u>2024</u> |
|---|--------------------|--------------------|
| | \$ | \$ |
| Revenues | | |
| Residents board | 4,266,314 | 3,816,660 |
| Board rental | 1,059,431 | 837,345 |
| Sales to residents | 421,177 | 367,441 |
| Subcontracting revenue | 410,046 | 1,012,430 |
| Amortization of deferred contributions | 599,110 | 738,200 |
| Rent and management fees from The Wales Home Foundation - | | |
| Controlled organization | 102,467 | 51,296 |
| Rental income | 1,372 | |
| Net change in fair value of derivative financial instruments | | 303,483 |
| Share in the net loss of Centre d'Hébergement et de Soins de | | |
| Longue Durée Wales Inc. - Controlled profit-oriented enterprise | <u>(799,716)</u> | <u>(294,035)</u> |
| | <u>6,060,201</u> | <u>6,832,820</u> |
| Operating expenses | | |
| Salaries and wages | 2,027,659 | 1,931,639 |
| Home supplies | 670,467 | 977,537 |
| Cost of sales to residents | 431,249 | 440,179 |
| Electricity | 248,091 | 183,635 |
| Repairs and maintenance | 169,483 | 365,842 |
| Energy | 155,741 | 196,459 |
| Subcontracting | 128,236 | 522,854 |
| Taxes and permits | 101,686 | 117,499 |
| General expenses | 30,746 | 27,257 |
| Travel | 7,670 | 7,280 |
| Amortization of tangible capital assets | <u>1,769,154</u> | <u>1,741,802</u> |
| | 5,740,182 | 6,511,983 |
| Administrative expenses (Schedule) | <u>2,187,207</u> | <u>2,028,921</u> |
| | <u>7,927,389</u> | <u>8,540,904</u> |
| Deficiency of revenues over expenses before other revenues | <u>(1,867,188)</u> | <u>(1,708,084)</u> |
| Other revenues | | |
| External donations | 137,810 | 16,967 |
| Amortization of life leases | 22,425 | 27,668 |
| Donation from The Wales Home Foundation - Controlled | | |
| organization | | 532 |
| Grants | | 78,522 |
| Bequests | | 5,000 |
| | <u>160,235</u> | <u>128,689</u> |
| Deficiency of revenues over expenses | <u>(1,706,953)</u> | <u>(1,579,395)</u> |

The accompanying notes and non-consolidated schedule are an integral part of the non-consolidated financial statements.

The Wales Home - Foyer Wales

Non-consolidated Changes in Net Assets

Year ended March 31, 2025

| | 2025 | | 2024 |
|--|--|--------------------------|--------------------|
| | Invested in tangible capital assets | Surplus (Deficit) | Total |
| | \$ | \$ | \$ |
| Net assets (negative), beginning of year | 8,580,094 | (3,618,298) | 4,961,796 |
| Deficiency of revenues over expenses | (1,170,044) | (536,909) | (1,706,953) |
| Internal transfers | | | |
| Acquisition of tangible capital assets | 27,049 | (27,049) | |
| Repayment of long-term debt | 840,493 | (840,493) | |
| Deferred contribution | (99,163) | 99,163 | |
| Net assets (negative), end of year | 8,178,429 | (4,923,586) | 3,254,843 |

The accompanying notes and non-consolidated schedule are an integral part of the non-consolidated financial statements.

The Wales Home - Foyer Wales

Non-consolidated Cash Flows

Year ended March 31, 2025

| | <u>2025</u> | <u>2024</u> |
|---|-------------|-------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Deficiency of revenues over expenses | (1,706,953) | (1,579,395) |
| Non-cash items | | |
| Amortization of tangible capital assets | 1,769,154 | 1,741,802 |
| Amortization of deferred contributions | (599,110) | (738,200) |
| Amortization of life leases | (22,425) | (27,668) |
| Net change in fair value of investments | | (303,483) |
| Share in the net loss of a controlled profit-oriented enterprise | 799,716 | 294,035 |
| | 240,382 | (612,909) |
| Net change in working capital items (Note 4) | (1,493,431) | 1,392,006 |
| Cash flows from operating activities | (1,253,049) | 779,097 |
| INVESTING ACTIVITIES | | |
| Acquisition of tangible capital assets and cash flows from investing activities | (27,049) | (3,736,387) |
| FINANCING ACTIVITIES | | |
| Net change in bank indebtedness | (840,493) | 2,320,917 |
| Derivative financial instruments | 799,813 | |
| Net change in note payable to The Wales Home Foundation | 1,000,000 | |
| Deferred contribution | 99,163 | 506,063 |
| Cash flows from financing activities | 1,058,483 | 2,826,980 |
| Net decrease in cash | (221,615) | (130,310) |
| Cash, beginning of year | 79,040 | 209,350 |
| Cash (bank overdraft), end of year | (142,575) | 79,040 |

The accompanying notes and non-consolidated schedule are an integral part of the non-consolidated financial statements.

The Wales Home - Foyer Wales


Non-consolidated Financial Position

March 31, 2025


| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| | \$ | \$ |
| ASSETS | | |
| Current | | |
| Cash | | 79,040 |
| Trade and other receivables (Note 5) | 273,521 | 265,802 |
| Inventory | 78,616 | 110,833 |
| Prepaid expenses | | 127,311 |
| | <u>352,137</u> | <u>582,986</u> |
| Long-term | | |
| Tangible capital assets (Note 6) | 49,439,984 | 51,182,089 |
| Derivative financial instruments | | 799,813 |
| | <u>49,792,121</u> | <u>52,564,888</u> |
| LIABILITIES | | |
| Current | | |
| Bank indebtedness (Note 7) | 26,413,972 | 27,111,890 |
| Trade and other payables (Note 8) | 1,150,333 | 2,795,573 |
| Life lease loans, without interest, repayable on demand | 2,192,407 | 2,214,832 |
| | <u>29,756,712</u> | <u>32,122,295</u> |
| Long-term | | |
| Note payable to The Wales Home Foundation, without interest or repayment terms | 1,000,000 | |
| Deferred contribution - Tangible capital assets (Note 9) | 14,886,748 | 15,386,695 |
| Participation in deficiency of Centre d'Hébergement et de Soins de Longue Durée Wales Inc. - Controlled profit-oriented enterprise (100%) | 893,818 | 94,102 |
| | <u>46,537,278</u> | <u>47,603,092</u> |
| NET ASSETS | | |
| Internally restricted - Invested in tangible capital assets | 8,178,429 | 8,580,094 |
| Deficit | (4,923,586) | (3,618,298) |
| | <u>3,254,843</u> | <u>4,961,796</u> |
| | <u>49,792,121</u> | <u>52,564,888</u> |

The accompanying notes and non-consolidated schedule are an integral part of the non-consolidated financial statements.

On behalf of the Board,



 Director



 Director

The Wales Home - Foyer Wales

Notes to Non-consolidated Financial Statements

March 31, 2025

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Organization, incorporated under Part III of the Companies Act (Quebec), provides private home and health care services for elderly residents. It is a registered charity under the Income Tax Act.

2 - GOING CONCERN ASSUMPTION

The non-consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of the going concern assumption, meaning the Organization will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Organization has incurred operating losses in the past years and has a working capital deficiency. In addition, the Organization was not in compliance with the covenants under its credit facilities and the lender has not waived its right to demand repayment (see Note 7). Accordingly, there is a significant doubt about the Organization's ability to continue as a going concern. The Organization's ability to realize its assets and discharge its liabilities depends on the continued financial support of The Wales Home Foundation and the refinancing of its bank loans in the amount of \$26,413,972, maturing on September 30, 2025. The Organization's Board and management, with the support of The Wales Home Foundation, have taken prudent steps to manage liquidity and to protect the Organization's operations and stakeholders' interest. The Board and management are working closely with the Organization's financial and legal advisors to ensure a sustainable solution.

The carrying amounts of assets, liabilities, revenues and expenses presented in the non-consolidated financial statements and the statement of non-consolidated financial position classification have not been adjusted as would be required if the going concern assumption were not appropriate.

3 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization's non-consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Investments in controlled organizations

The Organization does not consolidate The Wales Home Foundation (controlled organization). The investment in Centre d'Hébergement et de Soins de Longue Durée Wales Inc. (controlled profit-oriented enterprise) is accounted for at equity value.

Accounting estimates

The preparation of non-consolidated financial statements requires management to make estimates and assumptions that affect the amounts recorded in the non-consolidated financial statements, notes to non-consolidated financial statements and the non-consolidated schedule. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

The Wales Home - Foyer Wales

Notes to Non-consolidated Financial Statements

March 31, 2025

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Organization's financial assets and liabilities from related party transactions are measured at cost.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in non-consolidated operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in non-consolidated operations in the year the reversal occurs.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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.

The Organization records residents board and board rental revenues on a straight-line basis over the term of each lease, when the services are rendered and collection is reasonably assured.

Subcontracting revenue and sales to residents are recorded when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

Cash and cash equivalents

The Company's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn.

Inventory valuation

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method.

The Wales Home - Foyer Wales

Notes to Non-consolidated Financial Statements

March 31, 2025

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets

Tangible capital assets are recorded at cost. When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets or to a nominal value if the fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the straight-line method at the following annual rates:

| | <u>Rates</u> |
|--|--------------|
| Land improvements, home equipment | 10% to 20% |
| Home building | 2.5% to 5% |
| Resident tracking system and wifi installation | 6 2/3% |
| Reservoir | 4% |
| Computer equipment | 25% |
| Software | 50% |
| Rental property | 5% |

Contributions specifically identified for the purchase of tangible capital assets are amortized on the same basis as the related tangible capital assets.

The renovations in progress will be amortized using the straight-line method at the annual rate of 2.5% when completed.

Write-down

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of non-consolidated operations and cannot be reversed.

Derivative financial instruments

The Organization uses interest rate swaps to manage its interest rate risk, but does not use hedge accounting. Accordingly, the interest rate swaps are recognized at their fair value on the non-consolidated statement of financial position and changes in fair value are recognized in the non-consolidated statement of operations for the year.

4 - INFORMATION INCLUDED IN NON-CONSOLIDATED CASH FLOWS

The net change in working capital items is detailed as follows:

| | <u>2025</u> | <u>2024</u> |
|-----------------------------|--------------------|------------------|
| | \$ | \$ |
| Trade and other receivables | (7,719) | 542,760 |
| Inventory | 32,217 | (38,066) |
| Prepaid expenses | 127,311 | 171,516 |
| Trade and other payables | (1,645,240) | 715,796 |
| | <u>(1,493,431)</u> | <u>1,392,006</u> |

The Wales Home - Foyer Wales

Notes to Non-consolidated Financial Statements

March 31, 2025

5 - TRADE AND OTHER RECEIVABLES

| | 2025 | 2024 |
|---|----------------|----------------|
| | \$ | \$ |
| Trade accounts | | |
| The Wales Home Foundation - Controlled organization | 60,431 | 33,800 |
| Other | 71,167 | 55,210 |
| Taxes receivable | 141,923 | 176,792 |
| | <u>273,521</u> | <u>265,802</u> |

6 - TANGIBLE CAPITAL ASSETS

| | | 2025 |
|--|-------------------|--------------------------|
| | Cost | Accumulated amortization |
| | \$ | \$ |
| Land | 37,077 | 37,077 |
| Land improvements | 1,561,894 | 978,315 |
| Home equipment | 4,447,877 | 3,013,148 |
| Home building | 54,957,599 | 8,509,120 |
| Resident tracking system and wifi installation | 953,795 | 561,763 |
| Reservoir | 62,765 | 22,480 |
| Computer equipment | 199,060 | 189,309 |
| Rental property | 12,498 | 5,416 |
| Sewage treatment plant | 53,329 | 53,329 |
| Renovations in progress | 486,970 | 486,970 |
| | <u>62,772,864</u> | <u>13,332,880</u> |
| | | <u>49,439,984</u> |

| | | 2024 |
|--|-------------------|--------------------------|
| | Cost | Accumulated amortization |
| | \$ | \$ |
| Land | 37,077 | 37,077 |
| Land improvements | 1,561,894 | 859,670 |
| Home equipment | 4,423,320 | 2,754,327 |
| Home building | 54,957,599 | 7,186,169 |
| Resident tracking system and wifi installation | 953,795 | 498,176 |
| Reservoir | 62,765 | 19,970 |
| Computer equipment | 196,568 | 186,982 |
| Rental property | 12,498 | 5,103 |
| Sewage treatment plant | 53,329 | 53,329 |
| Renovations in progress | 486,970 | 486,970 |
| | <u>62,745,815</u> | <u>11,563,726</u> |
| | | <u>51,182,089</u> |

The Wales Home - Foyer Wales
Notes to Non-consolidated Financial Statements
 March 31, 2025

7 - BANK INDEBTEDNESS

| | <u>2025</u> | <u>2024</u> |
|-----------------------------|--------------------------|-------------------|
| | \$ | \$ |
| Bank overdraft | 142,575 | |
| Bank line of credit (a) (d) | 5,247,166 | 5,701,559 |
| Banker's acceptance, 6.51% | | 9,410,331 |
| Mortgage loan (b) (d) | 12,000,000 | 12,000,000 |
| Mortgage loan (c) (d) | 9,024,231 | |
| | <u>26,413,972</u> | <u>27,111,890</u> |

- (a) The bank line of credit, for a maximum amount of \$5,452,166, bears interest at Royal Bank prime rate plus 0.5% (5.45%; 7.7% as at March 31, 2024) and is subject to renewal annually.
- (b) The mortgage loan, of an authorized maximum amount of \$12,000,000, bears interest at Royal Bank prime rate plus 0.5% (5.45%; 7.7% as at March 31, 2024), with repayment terms and conditions that will be established at the time the construction project is completed and matures in September 2025.
- (c) The mortgage loan, of an authorized maximum amount of \$9,024,231, bears interest at Royal Bank prime rate plus 0.5% (5.45%), payable in monthly instalments of \$31,011, principal plus interest and renews monthly.
- (d) The credit facilities are secured by a hypothec on the land and building with a net carrying amount of \$47,556,105, by a hypothec on the universality of present and future movable assets and a guarantee from two related parties. The Organization did not pay any consideration in exchange for such guarantees. Under the credit agreements, the Organization is required to respect certain covenants. As at March 31, 2025, the Organization is not in compliance with the covenants.

8 - TRADE AND OTHER PAYABLES

| | <u>2025</u> | <u>2024</u> |
|--|-------------------------|------------------|
| | \$ | \$ |
| Trade accounts and other payables | | |
| The Wales Home Foundation - Controlled organization - related to deferred contribution - tangible capital assets | 103,410 | 103,410 |
| Centre d'Hébergement et de Soins de Longue Durée Wales Inc. - Controlled profit-oriented enterprise | 13,823 | 673,255 |
| Others | 1,033,100 | 2,018,908 |
| | <u>1,150,333</u> | <u>2,795,573</u> |

9 - DEFERRED CONTRIBUTION - TANGIBLE CAPITAL ASSETS

| | <u>2025</u> | <u>2024</u> |
|--|--------------------------|-------------------|
| | \$ | \$ |
| Balance, beginning of year | 15,386,695 | 15,620,038 |
| Amount received during the year from a controlled organization | 99,163 | 126,675 |
| Other amounts received during the year | | 378,182 |
| Amount recognized in operations | (599,110) | (738,200) |
| Balance, end of year | <u>14,886,748</u> | <u>15,386,695</u> |

The Wales Home - Foyer Wales

Notes to Non-consolidated Financial Statements

March 31, 2025

10 - RELATED PARTY TRANSACTIONS

| | <u>2025</u> | <u>2024</u> |
|---|-------------|-------------|
| | \$ | \$ |
| The Wales Home Foundation - Controlled organization | | |
| Revenues | | |
| Rent and management fees | 102,467 | 51,296 |
| Other revenue | | |
| Donation revenue | | 532 |
| Deferred contribution | 99,163 | 126,675 |
| Centre d'Hébergement et de Soins de Longue Durée Wales Inc. - | | |
| Controlled profit-oriented enterprise | | |
| Revenues | | |
| Subcontracting revenue | 410,046 | 1,012,430 |
| Board rental | 1,059,431 | 837,345 |
| Sales to residents | 127,084 | 46,817 |

These transactions were measured at the exchange amount, excluding the resulting financial instruments.

11 - FINANCIAL RISKS

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of non-consolidated financial position. The Organization has determined that the financial assets with more credit risk exposure are trade accounts receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

Interest rate risk

The Organization is exposed to interest rate risk with respect to financial liabilities bearing a variable interest rate.

The loans bear interest at a variable rate and the Organization is, therefore, exposed to the cash flow risk resulting from interest rate fluctuations.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of non-consolidated financial position.

The Wales Home - Foyer Wales

Notes to Non-consolidated Financial Statements

March 31, 2025

12 - CONTROLLED ORGANIZATIONS

Not-for-profit organization

The Wales Home Foundation was created to provide financial aid to the Organization. It was incorporated under Part III of the Companies Act (Quebec) and is a registered charity within the meaning of the Income Tax Act. The operations of The Wales Home Foundation are not consolidated with those of the Organization.

At the reporting date, the financial position, results of operations and cash flows of The Wales Home Foundation were as follows:

| | <u>2025</u> | <u>2024</u> |
|----------------------------------|------------------|------------------|
| | \$ | \$ |
| Financial position | | |
| Assets | <u>5,435,927</u> | <u>4,146,840</u> |
| Liabilities | <u>91,152</u> | <u>35,104</u> |
| Net assets | | |
| Endowment | | |
| Sherbrooke Hospital Foundation | <u>2,352,241</u> | <u>1,999,839</u> |
| Restricted | | |
| David Webster Memorial | <u>1,233,609</u> | <u>1,114,490</u> |
| Prest Floyd | <u>93,445</u> | <u>87,001</u> |
| Charles & Lena Ross | <u>878,266</u> | <u>776,243</u> |
| | <u>2,205,320</u> | <u>1,977,734</u> |
| General Fund | <u>787,214</u> | <u>134,163</u> |
| | <u>5,344,775</u> | <u>4,111,736</u> |
| | <u>5,435,927</u> | <u>4,146,840</u> |
| Results of operations | | |
| Revenues | <u>1,529,293</u> | <u>1,197,052</u> |
| Expenses | <u>296,254</u> | <u>248,010</u> |
| Excess of revenues over expenses | <u>1,233,039</u> | <u>949,042</u> |
| Cash flows | | |
| Increase (decrease) in cash | | |
| Operating activities | <u>386,696</u> | <u>127,522</u> |
| Investing activities | <u>(208,017)</u> | <u>(256,431)</u> |
| Financing activities | <u>2,864</u> | <u>2,606</u> |
| | <u>181,543</u> | <u>(126,303)</u> |

The Wales Home - Foyer Wales

Notes to Non-consolidated Financial Statements

March 31, 2025

12 - CONTROLLED ORGANIZATIONS (Continued)

Profit-oriented enterprise

Centre d'Hébergement et de Soins de Longue Durée Wales Inc. provides private home and health care services for elderly residents. It was incorporated under the Business Corporations Act (Quebec). The operations of Centre d'Hébergement et de Soins de Longue Durée Wales Inc. are not consolidated with those of the Organization.

At the reporting date, the financial position, results of operations and cash flows of Centre d'Hébergement et de Soins de Longue Durée Wales Inc. were as follows:

| | <u>2025</u> | <u>2024</u> |
|-----------------------------|------------------|------------------|
| | \$ | \$ |
| Financial position | | |
| Assets | <u>1,490,386</u> | 2,454,147 |
| Liabilities | <u>2,097,381</u> | 2,261,426 |
| Equity (deficiency) | <u>(606,995)</u> | 192,721 |
| | <u>1,490,386</u> | <u>2,454,147</u> |
| Results of operations | | |
| Revenues | 13,687,120 | 13,510,987 |
| Operating expenses | 14,587,314 | 13,793,913 |
| Current income taxes | (27,395) | (11,974) |
| Future income taxes | <u>(73,083)</u> | 23,083 |
| Net loss | <u>(799,716)</u> | <u>(294,035)</u> |
| Cash flows | | |
| Increase (decrease) in cash | | |
| Operating activities | <u>90,174</u> | (48,878) |
| | <u>90,174</u> | <u>(48,878)</u> |

The Wales Home - Foyer Wales

Non-consolidated Schedule

Year ended March 31, 2025

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| <i>ADMINISTRATIVE EXPENSES</i> | | |
| Interest on bank loans | 1,803,405 | 1,535,925 |
| Professional fees | 168,262 | 59,564 |
| Office supplies and expenses | 99,177 | 182,478 |
| Insurance | 77,671 | 125,908 |
| Advertising | 30,267 | 36,008 |
| Telecommunications | 16,303 | 22,763 |
| Bank charges | (11,614) | 28,807 |
| Recruitment | 3,736 | 37,468 |
| | <u>2,187,207</u> | <u>2,028,921</u> |

ANNUAL REPORT

2024-2025



| RÉSIDENCE WALES HOME |