

Unionville Home Society

AUDIT AND FINANCE COMMITTEE MEETING

AGENDA

Tuesday, April 18, 2023

5:00pm - 6:00pm

In-person (Union Villa Conference Room) / Zoom Meeting (Hybrid)

Committee Members:	Lyndsey McIntyre (Chair), Phil Gunn, Amaar Naqi, Andy Taylor
New UHS Staff:	Abby Katz Starr (CEO), Julie Horne (CFO), Shamniz Jetha (Controller), Rozmin Kala (Accounting Manager), Alex Li (Administrative Assistant)
Guests:	Mike Rooke, Himmat Grewal of Tinkham LLP

#	Agenda Item	Encl.	Lead	Time
1.0	Call to Order		Committee Chair	5:00 - 5:05pm
2.0	Roll Call and Appointment of Committee Meeting Chair and Recording Secretary			
3.0	Confirmation of Proper Notice Given			
4.0	Confirmation of Quorum Present			
5.0	Declaration of Conflicts of Interest			
6.0	Approval of the Agenda	√		
7.0	Approval of Minutes - May 24, 2022	√		
8.0	Business Arising from the Minutes		Committee	5:05 - 5:10pm
9.0	New Business		Committee	5:10 - 6:00pm
	9.1 Engagement Letter	√		
	9.2 Audit Planning Letter	√		
	9.3 Audit Timeline	√		
10.0	Date of Next Meeting: May 23, 2023 TBC			
11.0	Adjournment			6:00pm

AUDIT AND FINANCE COMMITTEE

MINUTES

Tuesday, May 24, 2022
4:00 pm
Zoom Meeting

Committee Members:	Phil Gunn, Andy Taylor, Lyndsey McIntyre, Amaar Naqi, Christine Joe (Ex-Officio)
UHS Staff:	Abby Katz Starr (CEO), Julie Horne (CFO), Marieanna Mallen (EA)
Guests:	Himmat Grewal, Michael Rooke and Dale Tinkham of Tinkham, LLP

1. Call to Order

Phil Gunn called the meeting to order at 4:05pm.

2. Roll Call and Appointments of Meeting Chair and Recording Secretary

A roll call was completed. Phil Gunn and Marieanna Mallen were appointed meeting Chair and Recording Secretary, respectively.

3. Confirmation of Quorum Present

It was declared that a quorum of the Directors was present.

4. Confirmation of Proper Notice Given

All of the Directors having been given proper notice of the meeting and being present or having waived notice, the meeting was declared to be regularly constituted in accordance with the by-laws of the Corporation.

5. Declaration of Conflicts of Interest

No conflicts of interest were declared.

6. Agenda

The agenda was approved as presented.

7. Approval of the Minutes of February 28, 2022

The Minutes of February 28, 2022 were approved as presented.

8. Business Arising

8.1 Investment Policy - Update

No changes, final version presented for approval to go to the Governance Committee for further review. Targets out, committee agreed that those would be in the

contract with the investment manager as ranges are sufficient for the policy. MOTION to approve the Investment Policy as presented.

9. New Business

9.1 Audit Results letter

Michael Rooke, concurring partner on the UHS group audit engagement. Dale Tinkham sent his regrets. Dale's 5th year as partner in charge and we will be rotating next year for fresh perspective for best practice.

Agenda, first, provide some high-level comments on reporting letter and go through each financial statement with high-level comments.

Audit results letter May 13, 2022, no substantial changes compared to previous years. We do intend to produce clean opinions on each of the letters. Audit approach is risk-based as part of the plan, we've sent materiality at 3% total revenue which is standard practice, and no changes on the bases of materiality based on previous years. No changes to accounting policies so no changes year over year. Financial statements are comparable year after year. No changes to reporting letter.

On page 6, there is a suggestion enhances public rebate status, and we will support Julie with the application process. We have continued to enjoy full support from JH and AKS and team at UHS, deadline tight with May 31 reporting but here we are on May 24, 2022

Adjusting journal entries There were no unadjusted audit differences, clean audit engagement.

Any internal control recommendations? Nothing significant, talked about procurement and RFP for large projects but it was just a minor

Continuation of a previous project, window phase 2 at WG, a little policy clarification re vendor used in the past for another phase of a project. Controls are found to be good.

NUHS Financials statements, there hasn't been any significant changes in format or accounting principals applied. We continuously improve the disclosure. Very minor presentation and wording changes.

A couple changes in the notes disclosures:

- New UHS - No adjustments from pre-audit package, first couple of pages are

- the independent auditor's report, is standard
- Page 3 statement of financial position, assets and liabilities are relatively comparable year over year, statement of cash flows
 - Cash is down ~\$160,000 which can be seen on the statement of cash flows
 - o Primarily due to \$105,000 cash used by operations, mostly a pay down in accounts payable and liabilities
 - o This was just a matter of timing
 - Fluctuation in the accounts receivable, down from ~\$105,000 last year to \$47,000 this year
 - o Last year was a bit of an anomaly due to additional receivables for the geriatric outreach program and from the city of Markham
 - o Also just a matter of timing in terms of what was received before and what was received after the year end
 - o All amounts are fully collectable
 - Page 4 statement of operations, nothing unusual in revenue
 - o Decline in other revenue from ~\$88,000 to \$21,000 this year as a result of recoveries last year as well as re-deployment of UHS staff due to COVID-19
 - o Salaries and wages are down, largely due to vacancies and positions that weren't maintained at NUHS
 - o Professional fees are up ~\$120,000, a direct result of consultation on various corporate policies, governance, amalgamation etc.
 - NUHS has experienced an excess of revenue of ~\$29,000 this year compared to a loss of \$83,000 last year

Financial statement notes:

- No new notes as of this year aside from a new note disclosure on subsequent events in Note 11. Some comments were provided to that
- Some wording changes but nothing major

UHS Financial Statements, first 2 pages expressed with clean audit opinion

- Page 3 Statement of Financial Position
 - o If comparing year to year, down ~\$635,000 primarily due to debt repayment (\$650,000 on the mortgage payment)
 - o Paydown of accounts payable and accrue liabilities of ~\$115,000
 - o Those reductions are offset by additional funding from Ministry of LTC and the Foundation for Capital Improvements, \$164,000 in capital contributions have been received and reported under Note 9
 - o No significant changes otherwise
- Statement of Operations and Net Assets
 - o Revenue is up \$266,000, reasonable and expected due to additional funding from Ministry of LTC for various COVID-19 initiatives
 - o Overall expenses increased ~\$500,000, mostly attributed to salaries and benefits, reasonable and expected since UHS received more funding from the Ministry, lots of those resources spent on human capital to fight the pandemic as well as new full-time PSW positions

- Increase in salaries and benefits can be offset by reductions in other areas such as administration and supplies, this year is more in line with historical averages
- Bottom line for 2022 is that there was a deficiency of revenue of ~\$182,000 compared to a surplus of \$71,000 from last year
- Notes
 - New note disclosure of subsequent event disclosure around the amalgamation effective April 1st, 2022
 - Note 11B, new disclosure on an outstanding legal claim against UHS which is not expected to have a material adverse impact on the organization. Should be covered by insurance, but must disclose the existence of that potential liability

Question (Phil): Is the difference in government funding due to shortfall or did we do something different?

- (Julie): One thing that changed in terms of salaries and benefits was the move of administrator from NUHS. Would have been an administrative services cost but is now recognized as an employee, therefore is included in the salaries and benefits. No difference in funding for that position just how we accounted for it. That position was mixed in with Julie's for a while before Terry joined the organization which also impacted the way it was presented on financial statements.

UHS Foundation, first 2 pages expressed with clean audit opinion

- Page 3 Statement of Financial Position, assets are up \$155,000 year over year. Can be seen in cash and investment balances. Increases can be attributable to excess revenue over expense for the year, can be seen in Statement of Operations
 - 1 change to be flagged: Separate subtotal on Statement of Financial Position that shouldn't be there, under accounts payable and accrue liability. Updated version to be received has that corrected.
- Page 4 Statement of Operations and Net Assets, in terms of gross assets and gross revenue it remains relatively unchanged over the past couple years
 - Most significant item under revenue is the increase in externally restricted donations and request. Included in this is the Gift of Shares around \$75,000 throughout the year
 - Under expenses there are some modest increases and decrease throughout the year, nothing really significant, in line with previous years
 - Generates an excess of revenue before donations of \$246,000
 - Donations of \$90,645 split between UHS and NUHS as seen in Note 3
 - Accounted for in their respective organizations
- Notes for Financial Statements, no changes other than minor wording changes

- No audit adjustments

Question (Amaar): Are expenses in line year by year?

- (Julie): Had modified dinner parties over the last few years, expenses were about the same each time. Recognize a portion of Maria's salary and benefits from fundraising and events since she leads the majority of them. Amounts are more significant than you would expect due to the salary and benefits portion.

Wyndhem Gardens Financial Statements, first 2 pages expressed with clean audit opinion

- 1 audit adjustment for presentation purposes, just a re-classification between income statement items, no impact on bottom line
- Page 3 Statement of Financial Position
 - o Comparing year over year, assets are down \$450,000, cash investments down \$300,000 with a remaining difference of \$150,000
 - o Net reduction in capital assets reduced from \$5,040,000 to \$4,900,000
 - Reduction largely due to paydown in accounts payable and accrue liabilities. Last year there was large amount of \$360,000 related to the sale of a lease unit which is the primary driver for a reduction in cash balance
 - o Capital assets: \$353,000 in capital expenditures
 - o Increase in capital assets is offset by organization charge of \$500,000
- Statement of Operations: Total revenue down \$255,000
 - o Maintenance fees in line with last year
 - o Releasing commissions are down from \$721,000 to \$450,000
 - 11 units sold this year, 9 last year, last year included a unit sale where the proceeds were given back to Wyndhem Gardens. If we ignore that then expenses are relatively similar year by year
 - o Operating expenses, up \$179,000 mainly attributed to building equipment and grounds maintenance
 - o Overall \$433,000 revenue over expense, small deficit of \$63,000
- Notes
 - o Note 10 on commitments, commitment disclosure for the contracts related to window and door replacement
- No other significant changes

9.4 Recommendation for Auditors

Continue with current auditors for the 2022-2023 year.

Motion to recommend approval of financial statements subject to the changes discussed today for approval. Carried.

Donated shares:

- Investment policy not yet in place
- Foundation is working on gift acceptance policy in regards to shares
- Has received some mutual funds and shares
- Any direction from audit committee as to hold or sell them?
- Not significant amounts of money:
 - o One is 3 shares of Microsoft, share price has declined since we received it
 - Would have to pay a minimum commission of \$175 on the trade to sell. Current value is \$780 about \$45 less than when we received the shares
 - o Second item is 80 units of a mutual fund in Vesco Global Select Equity
 - Currently at a gain of \$257
- Policy says to sell them

In camera session with auditors:

- Clean audit, not too many changes
- Nothing major to be said/done
- Good working relationship, no areas of deficiencies

10. Date of Next Meeting - Tuesday, May 24, 2022, 4pm.

11. Adjournment:

MOTION to adjourn the meeting at 5:07pm.
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Carried

D C Tinkham FCPA FCA CMC LPA
P J Brocklesby CPA CA LPA
M Y Tkachenko CPA CA
M W G Rooke CPA CA LPA
A C Callas CPA CA LPA
G P Kroeplin CPA
C R Braun CPA CA
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April 5, 2023

The Audit and Finance Committee
Unionville Home Society
Unionville Home Society Foundation
Wyndham Gardens Apartments of Unionville
4300 Highway #7
Unionville, Ontario L3R 1L8

To the Members of the Audit and Finance Committee:

You have requested that we audit the financial statements of:

- Unionville Home Society (“UHS”);
- Unionville Home Society Foundation (“the Foundation”); and
- Wyndham Gardens Apartments of Unionville (“Wyndham Gardens”)

(collectively, “the Organization”), which comprise the statement of financial position as at March 31, 2023 and the statements of operations and net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In addition, you have requested that we audit:

- the Long-Term Care Home Annual Report (“MOLTC-ARR”) and the Statement of Trust Fund Receipts and Disbursements (“the Trust Fund”) for the year ended March 31, 2023 and related note, as required by the Ministry of Long-Term Care (“MOLTC”) for Union Villa; and
- the Ontario Health Annual Report (“OH-ARR”) for the year ended March 31, 2023 and related note, as required by the Ministry of Health and Long-Term Care and Ontario Health (“MOH”) for the Community Support Services Programs of UHS.

We are pleased to confirm our acceptance and our understanding of these audit engagements by means of this letter.

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

The Responsibilities of the Auditor

We will conduct our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 audits 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 Organization's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audits of the financial statements, the ARR or the Trust Fund that we have identified during the audits.
- 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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit are properly planned and performed in accordance with Canadian generally accepted auditing standards.

The Responsibilities of Management

Our audits will be conducted on the basis that management understands that they have responsibility:

- (a) For the preparation and fair presentation of the financial statements of each entity in accordance with Canadian accounting standards for not-for-profit organizations (ASFNPO); the preparation and fair presentation of the MOLTC-ARR in accordance with the 2022 Long-Term Care Home Annual Report Technical Instructions and Guidelines; and the Statement of Trust Fund Receipts and Disbursements in accordance with the Ontario Regulation 79/10 Section 241; and the preparation and fair presentation of the OH-ARR in accordance with the financial reporting provisions in Chapter 3 of the Ontario Healthcare Reporting Standards and the 2016 Community Financial Policy issued by the Ministry of Health and Ministry of Long-Term Care;
- (b) For the design and implementation of 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; and

(c) To provide us with timely:

- (i) Access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation, and other matters;
- (ii) Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
- (iii) Additional information that we may request from management for the purpose of the audits; and
- (iv) Unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

- We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audits, we will request from management and those charged with governance written confirmation concerning those representations. If such representations are not provided in writing, management and those charged with governance acknowledge and understand that we would be required to disclaim an audit opinion.
- We will communicate any misstatements identified during the audits other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Form and Content of Audit Opinions

The anticipated form and content of our audit reports will be reported to you separately as part of our audit planning letter. If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of the Organization unless:

- We have been specifically authorized with prior consent;
- We have been ordered or expressly authorized by law or by the CPA Ontario Code of Professional Conduct/Code of Ethics; or
- The information requested is (or enters into) public domain.

Communications

In performing our services, we will send messages and documents electronically. You acknowledge that electronic communication carries the possibility of inadvertent misdirection, interception or non-delivery of confidential material, or infection by a virus. If you do not consent to our use of electronic communications, please notify us in writing.

We do not accept responsibility and will not be liable for any damage or loss caused in connection with the interception or corruption of an electronic communication.

Use of Information

It is acknowledged that we will have access to all information about identified individuals (“personal information”) in your custody that we require to complete our engagements. Our services are provided on the basis that:

- You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer, and process of personal information required under applicable privacy legislation and professional regulation; and
- We will hold all personal information in compliance with our Privacy Statement.

Use and Distribution of our Report

The examination of the financial statements, the MOLTC-ARR, the Statement of Trust Fund Receipts and Disbursements, the OH-ARR and the issuance of our audit reports is solely for the use of those to whom our reports are specifically addressed by us. We make no representations of any kind to any third party in respect of these financial statements, and we accept no responsibility for their use by any third party.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication unless otherwise agreed to by us.

Reproduction of Auditor's Reports

If reproduction or publication of our audit reports is planned in an annual report or other document, including electronic filings, or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request that management provide a written representation that the final version of the document will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

Audit Fees

Our professional fees will be rendered based on our regular billing rates and are due when rendered. Fees for any additional services will be established separately.

Our fees include all of the following services:

- All audit services including production of financial statements and related correspondence;
- Separate audits of the MOLTC-ARR, Statement of Trust Fund Receipts and Disbursements and OH-ARR; and
- Attendance at Audit and Finance Committee meetings, Board, and the Annual General Meetings of members.

There is no charge for the following:

- Incidental discussions with management;
- Out of pocket and travel costs;
- Copies of budget analysis; and
- Firm publications.

Our fees are plus HST but inclusive of all out-of-pocket expenses including travel and parking. We will reduce our fees from the estimate if the actual time incurred is less. Our focus is on service delivery and audit fees have rarely influenced our audit relationships. There will be no charge for any additional professional services unless you authorize such services in advance. We support your objectives of value for service and cost containment.

Our planning is based on the following assumptions:

- that your records, system of internal control and accounting procedures are maintained in good order;
- that you maintain the year-end audit preparation effort;
- that your year-end working papers including analysis and reconciliations are of high quality;
- that the Organization is very supportive of the audit process; and
- that the Organization's responsibilities require the management team to prepare for the audits in accordance with the client assistance letter, be audit ready for the audit examinations and provide reasonable support to the audit team during the examinations.

Other Services

In addition to the audit services referred to above, we will, as allowed by the CPA Ontario Code of Professional Conduct, prepare the T2 Corporation Income Tax Return for Wyndham Gardens. It is our understanding that management will prepare the Registered Charity Information Returns (T3010s) for UHS and the Foundation and the T1044 Non-Profit Organization (NPO) Information Return for Wyndham Gardens, and will ensure these information returns are filed with the appropriate authorities on a timely basis.

It should be noted that our accounting work in the area of HST and other commodity taxes is limited to that appropriate to the audits of the financial statements. Accordingly, we may not detect situations where the Organization is incorrectly claiming public service body rebates. Failure to properly account for the HST could result in the Organization becoming liable for tax, interest, or penalties. These situations may also arise for provincial sales tax, custom duties, and excise taxes.

We would be pleased to provide additional services upon request. Such services include HST advice, business financing advice, management consulting and valuations.

We believe the foregoing correctly sets forth our understanding, but if you have any questions, please let us know. If you find the arrangements acceptable, please acknowledge your agreement to the understanding by signing and returning to us the copy enclosed.

Yours very truly,

Tinkham LLP



Chartered Professional Accountants

ACKNOWLEDGED:

Unionville Home Society
Unionville Home Society Foundation
Wyndham Gardens Apartments of Unionville

By: _____

Title: _____

Date: _____

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April 5, 2023

The Audit and Finance Committee
Unionville Home Society
Unionville Home Society Foundation
Wyndham Gardens Apartments of Unionville
4300 Highway #7
Unionville ON L3R 1L8

To the Members of the Audit and Finance Committee:

Re: Audit Planning

We are writing this letter in connection with our audits of the financial statements of Unionville Home Society (“UHS”), Unionville Home Society Foundation (“the Foundation”) and Wyndham Gardens Apartments of Unionville (“Wyndham Gardens”) for the year ended March 31, 2023.

We will also perform a separate audit of the:

- the Long-Term Care Home Annual Report (“MOLTC-ARR”) and the Statement of Trust Fund Receipts and Disbursements (“the Trust Fund”) for the year ended March 31, 2023 and related note, as required by the Ministry of Long-Term Care (“MOLTC”) for Union Villa; and
- the Ontario Health Annual Report (“OH-ARR”) for the year ended March 31, 2023 and related note, as required by the Ministry of Health (“MOH”) for the Community Support Services Programs of UHS.

Our purpose in writing is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will:

- a. Address our responsibilities as independent auditors and provide information about the planned scope and timing of our audits.
- b. Request a response to some audit questions and any additional information you may have that could be relevant to our audits.

We view the development of our audit plan as an important process that provides all parties involved in the audits with an opportunity to assess together audit needs, focus areas, approach, and expectations for performance.

Responsibilities

The respective responsibilities of ourselves and of management in relation to the audits of the financial statements, the MOLTC-ARR, the Trust Funds, and the OH-ARR are set out in the engagement letter.

The role of the Audit and Finance Committee has a significant influence on the audit plan. The Audit and Finance Committee’s responsibilities which reflect current best practices are to:

- Maintain oversight responsibilities for management's efforts to create a strong internal control environment;
- Review management's process of assessing fraud risk including responsibility for performing the fraud risk assessment;
- Review audit disclosure and compliance issues prior to release of the annual financial statements;
- Review matters raised by the auditor, management's responses, and their disposition;
- Make known to the auditor any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements;
- Make enquiries of the auditor regarding management conduct, corporate governance, co-operation, information flow and systems of internal controls; and
- Review the financial statements as prepared by management, including presentation, disclosures, supporting notes and schedules, for accuracy, completeness and appropriateness and recommend to the Board of Directors for approval.

Planned Scope and Timing of our Audits

We have been engaged to audit the financial statements of UHS, the Foundation and Wyndham Gardens (hereinafter collectively referred to as "the Organization"), the MOLTC-ARR, the Trust Fund and the OH-ARR for the year ended March 31, 2023.

Our objective as auditors is to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), that the MOLTC-ARR is prepared in accordance with the 2022 Long-Term Care Home Annual Report Technical Instructions and Guidelines; and the Trust Funds in accordance with the Ontario Regulation 79/10 Section 241, and that the OH-ARR is prepared in accordance with the financial reporting provisions in Chapter 3 of the Ontario Healthcare Reporting Standards and the 2016 Community Financial Policy issued by the Ministry of Health and Ministry of Long-Term Care.

We anticipate that management will provide all requested documentation prior to the start of the audits. All documentation on our detailed audit request listings should be uploaded to our secure share folder by that date. We will begin our audit procedures once all information is posted or there is an agreement to provide outstanding items within a specified time frame. No further management requested journal entries would be expected.

Any delays in responding to additional audit requests may delay the conduct of the audit, and final reporting to the Audit and Finance Committee and Board of Directors on the results of the audit.

We plan to perform specific testing in April 2023 to validate the data migration on the transition to Sage Intacct, prior to the conduct of our year-end audit examination.

We expect to carry out our year-end audit procedures within a three-to-four-week period commencing upon receipt of the information on our detailed audit request listing. After our audit fieldwork is complete, we will review draft financial statements and our draft reporting letter with management. Once we receive management's comments on the draft financial statements and reporting letter, we will provide draft reports for the Audit and Finance Committee for recommendation to the Board of Directors, which will be approximately three to four weeks from receipt of all information, including all final journal entries from management.

We will expect to report to the Audit and Finance Committee and the Board on the results of our audit by the end of May 2023.

We will arrange with management to complete the audits of the MOLTC-ARR, the Trust Fund, and the OH-ARR on a timely basis and in accordance with the external reporting deadlines imposed by the Ministry of Long-Term Care (“MOLTC”) and Ontario Health (“OH”).

Statement on Independence

CAS 260 of the *CPA Canada Handbook – Assurance* recommends communications with those charged with governance, at least annually, regarding all relationships between the Organization and our firm that in our professional judgment, may reasonably be thought to bear on our independence.

The members of the Board of Directors, management and Audit and Finance Committee members have a proactive role in this process. It is our expectation that you will bring to our attention, on a timely basis, any concerns you may have, or any knowledge of situations or relationships between the Organization and our firm that may reasonably be thought to bear on our independence.

In accordance with our professional requirements, we advise you that we are not aware of any relationships between the Organization and our firm that, in our professional judgment, may reasonably be thought to bear on our independence.

Accordingly, we hereby confirm that we are independent with respect to the Organization within the meaning of the CPA Ontario Code of Professional Conduct Rule 204.

Communications

As external auditors of the Organization we are accountable to the Audit and Finance Committee. Our formal communications will include:

- This audit plan, including the level of responsibility assumed in performing an audit under CAS and confirmation of our independence and disclosure of any relationships that bear on our independence;
- Our standard form engagement letter outlining the terms of our engagements;
- Our annual report to the Audit and Finance Committee on the results of our audits, including any difficulties encountered in performing the audits;
- Management letter outlining areas for improvement if any are identified; and
- Our reports on the financial statements which we expect to be in standard form and without reservation, and separate special-purpose audit reports on the MOLTC-ARR, the Trust Fund, and the OH-ARR.
- As part of the above communications, we will report all significant findings from the audits to you, including, but not limited to:
 - Our views about significant qualitative aspects of the Organization’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
 - Significant difficulties, if any, encountered during the audits;
 - Significant matters, if any, arising from the audits that were discussed, or subject to correspondence with management;
- Written representations we request from management and/or those charged with governance; and
- Other matters, if any, arising from the audits that in our professional judgment, are significant to the oversight of the financial reporting process.

These findings will be included in our annual report to the Audit and Finance Committee, or earlier, if considered necessary. Our findings will be based on the audit work considered necessary by us to render our opinion on the financial statements, the MOLTC-ARR, the Trust Fund and the OH-ARR. We are not required to perform any additional procedures to provide assurance on these matters.

Materiality

An understanding of what is significant or material in relation to the overall results of the Organization is critical to the performance of an effective and efficient audit. An item is considered material if its impact might reasonably be expected to affect the decisions of a reader of the financial statements.

We consider materiality in assessing where to focus our testing, as a basis for determining the extent of our testing and in the evaluation of financial statement presentation and disclosures. Our audit approach is designed to identify material misstatements in the financial statements. Certain items, such as related party disclosures and commitments, may be considered significant based on qualitative reasons. Otherwise, the amounts are considered to be material if they exceed a quantitative guideline.

Materiality will be assessed at approximately 1% to 3% of the Organization's total revenues, expenses, or assets for audit planning purposes. Materiality will be assessed at approximately 3% of gross funding revenue for the MOLTC-ARR and OH-ARR and 10% of gross cash receipts for the Trust Funds for audit planning purposes.

Our assessment of materiality considers CPA Canada guidelines but is also affected by the size and nature of potential misstatements. The materiality amount will be reassessed at period end to ensure it remains appropriate. An audit difference in excess of the upper limit will be considered to be material, and we expect material errors to be corrected and prefer that all significant errors be adjusted. All differences noted during the audit will be accumulated and discussed with management to determine if adjustments are required to the financial statements. Details of both adjustments and unadjusted audit differences will be reported in our audit results letter.

Significant Changes During the Period

Effective April 1, 2022 New Unionville Home Society (New UHS) amalgamated with UHS. We further understand the transition of the financial information system to Sage Intacct went live on February 1, 2023. Aside from the impact of these changes, we understand that there have been no other material changes in operations, personnel, accounting policies, the control environment, internal controls or accounting standards applicable to the Organization.

Despite continued pandemic subsidies from MOLTC for COVID-19 prevention and containment and temporary wage enhancement for Personal Support Workers, the internally prepared financial statements for UHS report a deficit for the nine months ending December 31, 2022 of approximately \$727,000, which is unfavorable from the budget by approximately \$277,000. UHS has experienced a few unplanned expenditures as it relates to pay equity, building repairs and maintenance and higher inflationary costs for laundry, and housekeeping services.

The Foundation has reported a surplus for the nine months ending December 31, 2022 of approximately \$163,000. It is our understanding that all externally restricted donations have been appropriately segregated within the accounts of the Foundation and that amounts spent by the respective entities are in accordance with donor restrictions.

Wyndham Gardens has experienced a deficit for the nine months ending December 31, 2022 of approximately \$55,000, which is a favourable variance from budget. This favourable variance is attributable to lower building and ground maintenance costs.

The transaction for Heritage Village land sale is anticipated to close in April 2023. The land sale transaction will be reported as a subsequent event note in the financial statements.

It is our understanding that all balance sheet accounts, including the intercompany accounts, are being reconciled on a monthly basis. All GST/HST and other statutory filings are up to date. There are no outstanding legal claims.

It is our understanding based on inquiry of the Organization's Chief Financial Officer that there have been no other significant changes in the operations of the Organization throughout the fiscal year.

Internal Control

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audits. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our management letter.

Significant Risks

There has been a change in the definition of significant risks in the new CAS 315, which is effective for the 2023 audit engagement. Significant risks are restricted to areas of the financial statements which have a high inherent risk, which we assess based on the nature of the risk or material balances. We have eliminated CRA compliance as a significant risk, and report that the change in definition will have no impact on the scope or extent of our audit procedures.

We focus our audit procedures on areas where significant risks exist from a financial reporting perspective. Our knowledge of the Organization's operations facilitates our assessment of risk. The significant risks we have identified, and our proposed audit responses are outlined below:

Unionville Home Society

Significant Risks	Proposed Audit Response
Revenue recognition – completeness, existence and accuracy	Analytical procedures Combined tests of controls and substantive testing of revenues, including the consistent application of accounting policies Confirmation of funding with third party Verify resident's fees charged to rates approved by the Ministry of Health and Long-Term Care Review of cut-off procedures
Management override	Inquiries of management Review of journal entries Review of related-party transactions and management estimates Evaluate for significant and / or unusual transactions Evaluation of bias in estimates Evaluate circumstances resulting in a risk of material misstatement due to fraud Review information technology controls
Due to / from related parties – accuracy, valuation, and presentation	Inquiries of management Review of Board and Audit and Finance Committee minutes Combined tests of controls and substantive testing
Investments – existence	Confirmation of balance with third party
Bank indebtedness – completeness, presentation, and disclosure	Confirmation of balance with third party Substantive testing
Due to / from the Ministry of Health and Long-Term Care – completeness and accuracy	Inquiries of management Review of Board and Audit and Finance Committee minutes Combined tests of controls and substantive testing Review of correspondence, including assessment notices, received from the Ministry of Health and Long-Term Care

Contingent liabilities – completeness	Inquiries of management Review of Board and Audit and Finance Committee minutes Review of expense accounts Legal enquiry letter
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Unionville Home Society Foundation

Significant Risks	Proposed Audit Response
Revenue recognition – completeness, existence and accuracy	Combined tests of controls and substantive testing of revenues, including compliance with restrictions and the consistent application of accounting policies Review of cut-off procedures
Management override	Inquiries of management Review of journal entries Review of related-party transactions and management estimates Evaluate for significant and / or unusual transactions Evaluation of bias in estimates Evaluate circumstances resulting in a risk of material misstatement due to fraud Review information technology controls
Cash and investments – existence	Confirmation of balances with third party
Due to / from related parties – accuracy, valuation, and presentation	Inquiries of management Review of Board and Audit and Finance Committee minutes Combined tests of controls and substantive testing
Externally restricted net assets – accuracy	Substantive testing, including compliance with restrictions Inquiries of management Review of Board and Audit and Finance Committee minutes

Wyndham Gardens Apartments of Unionville

Significant Risks	Proposed Audit Response
Revenue recognition – completeness, existence and accuracy	Analytical procedures Substantive testing of revenues, including the consistent application of accounting policies Review of cut-off procedures
Management override	Inquiries of management Review of journal entries Review of related-party transactions and management estimates Evaluate for significant and / or unusual transactions Evaluation of bias in estimates Evaluate circumstances resulting in a risk of material misstatement due to fraud Review information technology controls
Cash and investments – existence	Confirmation of balance with third party
Due to / from related parties – accuracy, valuation, and presentation	Inquiries of management Review of Board and Audit and Finance Committee minutes Combined tests of controls and substantive testing

Uncorrected Misstatements

Where we identify uncorrected misstatements during our audits, we will communicate them to management and request that they be corrected. If not corrected by management, we will then request that you correct them. If not corrected by you, we will also communicate the effect that they may have individually, or in aggregate on our audit opinions.

Audit Questions and Requests

We ask that you bring to our attention any significant matters or financial reporting risks, of which you are aware, that may not have been specifically addressed in our proposed audit plans. This could include such matters as future plans, contingencies, events, decisions, non-compliance with laws and regulations, potential litigation, specific transactions (such as with related parties or outside of the normal course of operations) and any additional sources of audit evidence that might be available.

Fraud

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatement whether caused by error or fraud. The likelihood of not detecting a material misstatement resulting from fraud is higher where fraud is a result of collusion and / or sophisticated and carefully organized schemes designed to conceal fraud.

We will consider:

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency of such assessments;
- Management's processes for identifying and responding to fraud risks, including identified fraud risk, classes of transactions, account balances, or disclosures for which there is a fraud risk;
- Management's communications, if any, to those charged with governance regarding its processes for identifying and responding to fraud risks, and
- Management's communications to employees concerning the business practices and ethical behavior.

To help us in identifying and responding to the risks of fraud within each entity, the MOLTC-ARR, the Trust Fund, and the OH-ARR, we would appreciate your responses to the following questions:

1. What oversight, if any, do you provide over management's processes for identifying and responding to fraud risks? Management's processes could include policies, procedures, programs, or controls that serve to prevent, detect, and deter fraud.
2. Do you have any knowledge of any actual, suspected, or alleged fraud, including misappropriation of assets or manipulation of the financial statements, affecting any of the entities? If so, please provide details and how the fraud or allegations of fraud were addressed.

We recognize your significant role in the oversight of the audits and would welcome any observations on our audit plans.

Additional Information

Please find the following additional information attached:

- Appendix A – Anticipated Form and Content of Audit Report for the Financial Statements of Unionville Home Society
- Appendix B – Anticipated Form and Content of Audit Report for the Financial Statements of Unionville Home Society Foundation
- Appendix C – Anticipated Form and Content of Audit Report for the Financial Statements of Wyndham Gardens Apartments of Unionville
- Appendix D – Anticipated Form and Content of Audit Report for the Long-Term Care Home Annual Report
- Appendix E – Anticipated Form and Content of Audit Report for the Statement of Trust Fund Receipts and Disbursements
- Appendix F – Anticipated Form and Content of Audit Report for the Ontario Health Annual Report
- Appendix G – Developments in Canadian Accounting Standards for Not-for-profit Organizations

Yours very truly,

A handwritten signature in blue ink, appearing to read "Tinkham LLP".

Tinkham LLP
Chartered Professional Accountants
Encl.

Appendix A

Anticipated Form and Content of Audit Report for the Financial Statements of Unionville Home Society

Assuming there are no significant issues identified in the conduct of the audit, we expect our report to be in substantially the following form:

INDEPENDENT AUDITOR'S REPORT

To the Members of
Unionville Home Society

Opinion

We have audited the financial statements of Unionville Home Society ("the Society"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, 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

We draw attention to Note 1 of the financial statements, which describes the amalgamation of New UHS and the Society effective April 1, 2022. Our opinion is not modified in respect of this matter.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.

[Auditor's signature]

[Auditor's address]

[Date of the auditor's report]

Appendix B

Anticipated Form and Content of Audit Report for the Financial Statements of Unionville Home Society Foundation

Assuming there are no significant issues identified in the conduct of the audit, we expect our report to be in substantially the following form:

INDEPENDENT AUDITOR'S REPORT

To the Members of
Unionville Home Society Foundation

Opinion

We have audited the financial statements of Unionville Home Society Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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.

[Auditor's signature]

[Auditor's address]

[Date of the auditor's report]

Appendix C

Anticipated Form and Content of Audit Report for the Financial Statements of Wyndham Gardens Apartments of Unionville

Assuming there are no significant issues identified in the conduct of the audit, we expect our report to be in substantially the following form:

INDEPENDENT AUDITOR'S REPORT

To the Members of
Wyndham Gardens Apartments of Unionville

Opinion

We have audited the financial statements of Wyndham Gardens Apartments of Unionville ("the Corporation"), which comprise the statement of financial position as at March 31, 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2023, 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.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation 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.

[Auditor's signature]

[Auditor's address]

[Date of the auditor's report]

APPENDIX D

Anticipated Form and Content of Audit Reports for the Long-Term Care Home Annual Report

Assuming there are no significant issues identified in the conduct of the audit, we expect our report to be in substantially the following form:

INDEPENDENT AUDITOR'S REPORT

To the Minister of Long-Term Care:

Opinion

We have audited Sections A through F, Section I and Section O of the accompanying Long-Term Care Home Annual Report of Union Villa Long Term Care – Unionville Home Society ("UHS"), and related note which comprises a summary of significant accounting policies and other explanatory information ("the ARR").

In our opinion, the Report has been prepared by the management of UHS based on the financial reporting provisions of the 2022 Long-Term Care Home Annual Report Technical Instructions and Guidelines ("the Guidelines"), the service accountability agreement between Ontario Health / Local Health Integration Network and the licensee ("LOSAA"), the Direct Funding Agreement between the Minister of Long-Term Care Home ("DFA"), and all applicable policies and directives ("Policies") pertaining to the program funding provided for the year ended March 31, 2023.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to the note to the ARR, which describes the basis of accounting. The ARR is prepared to assist UHS in complying with the applicable financial reporting provisions of the Guidelines, LOSAA, DFA and Policies, for the purpose of calculating the allowable subsidy for the year ended March 31, 2023. As a result, the ARR may not be suitable for another purpose. Our report is intended solely for the Directors of UHS and the Ministry of Long-Term Care ("the Ministry") in accordance with the terms of our engagement.

We acknowledge the disclosure of our report, in full only, by UHS at its discretion, to the Ministry without assuming or accepting any responsibility or liability to the Ministry or any other third party in respect of this report.

Our report should not be distributed to parties other than UHS or the Ministry. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the ARR

Management is responsible for the preparation of the ARR in accordance with the basis of accounting described in the note; this includes determining that the basis of accounting is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a ARR that is free from material misstatement, whether due to fraud or error.

In preparing the ARR, management is responsible for assessing UHS'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 UHS or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the ARR

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

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

- Identify and assess the risks of material misstatement of the ARR, 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 UHS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 doubt on UHS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the ARR or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause UHS to cease to continue as a going concern.

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.

[Auditor's signature]

[Auditor's address]

[Date of the auditor's report]

APPENDIX E

Anticipated Form and Content of Audit Report for the Statement of Trust Fund Receipts and Disbursements

Assuming there are no significant issues identified in the conduct of the audit, we expect our report to be in substantially the following form:

INDEPENDENT AUDITOR'S REPORT

To the Minister of Long-Term Care:

Opinion

We have audited the statement of Trust Fund Receipts and Disbursements ("the Statement") Union Villa Long Term Care – Unionville Home Society ("UHS") for the year ended March 31, 2023 and related note which comprises a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Statement is prepared, in all material respects, in accordance with the basis of accounting described in the note to the Statement.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to the note to the Statement, which describes the basis of accounting. The Statement is prepared to assist UHS to comply with the financial reporting requirements of Section 241(10) of the Long-Term Care Homes Act, 2007, Ontario Regulation 79/10. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Directors of UHS and the Ministry of Long-Term Care ("the Ministry") in accordance with the terms of our engagement.

We acknowledge the disclosure of our report, in full only, by UHS at its discretion, to the Ministry without assuming or accepting any responsibility or liability to the Ministry or any other third party in respect of this report.

Our report should not be distributed to parties other than UHS or the Ministry. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation of the Statement in accordance with the basis of accounting described in the note; this includes determining that the basis of accounting is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Statement, management is responsible for assessing UHS'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 UHS or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Statement

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

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

- Identify and assess the risks of material misstatement of the Statement, 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 UHS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 doubt on UHS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause UHS to cease to continue as a going concern.

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.

[Auditor's signature]

[Auditor's address]

[Date of the auditor's report]

APPENDIX F

Anticipated Form and Content of Audit Reports for the Ontario Health Annual Report

Assuming there are no significant issues identified in the conduct of the audit, we expect our report to be in substantially the following form:

INDEPENDENT AUDITOR'S REPORT

To the Ministry of Health and Long-Term Care and Ontario Health:

Opinion

We have audited the financial information in the accompanying schedules (ARRFin1, ARRFin2 and ARRFin3) and the Proxy Pay Equity Annual Report (excluding statistics and FTE's) (the "Schedules") of the Unionville Home Society ("UHS") Annual Reconciliation Report ("the ARR") for the year ended March 31, 2023.

In our opinion, the accompanying Schedules have been prepared by the management of UHS based on the financial reporting provisions in the guidelines in Chapter 3 of the Ontario Healthcare Reporting Standards 11.2 (applicable to 2022-23) and the 2016 Community Financial Policy issued by the Ministry of Health and Ministry of Long-Term Care.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to the note to the ARR, which describes the basis of accounting. The ARR is prepared to assist UHS in complying with the applicable financial reporting provisions of the Guidelines, for the purpose of calculating the allowable subsidy for the year ended March 31, 2023. As a result, the ARR may not be suitable for another purpose. Our report is intended solely for the Directors of UHS and Ontario Health in accordance with the terms of our engagement.

We acknowledge the disclosure of our report, in full only, by UHS at its discretion, to Ontario Health without assuming or accepting any responsibility or liability to Ontario Health or any other third party in respect of this report.

Our report should not be distributed to parties other than UHS or Ontario Health. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the ARR

Management is responsible for the preparation of the ARR in accordance with the basis of accounting described in the note; this includes determining that the basis of accounting is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a ARR that is free from material misstatement, whether due to fraud or error.

In preparing the ARR, management is responsible for assessing UHS'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 UHS or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the ARR

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

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 ARR, 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 UHS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 doubt on the UHS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the ARR or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause UHS to cease to continue as a going concern.

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.

[Auditor's signature]

[Auditor's address]

[Date of the auditor's report]

APPENDIX G

Developments in Not-for-Profit Accounting Standards

Standards effective for the current fiscal year

Revenue

As previously reported to you, the Accounting Standards Board (“AcSB”) approved amendments on Section 3400, Revenue in December 2019 to provide additional guidance on the following topics noted as being insufficient and leading to diversity in practice:

- Bill-and-hold arrangements;
- Multiple-element arrangements;
- Percentage of completion method;
- Reporting revenue gross or net; and

The amendments are to be applied to annual financial statements relating to fiscal years beginning on or after January 1, 2022, with earlier application permitted. The amendments pertaining to upfront non-refundable fees or payments has been deferred – see *Standards and amendments not yet effective* below for additional information.

Combinations by Not-For-Profit Organizations (NFPOs) – new Section 4449

As previously reported to you, the AcSB issued new *Section 4449 - Combinations by Not-for-Profit Organizations* in March 2021. This new section provides the accounting requirements for the recognition, initial measurement and disclosure of a combination by not-for-profit organizations. The section applies prospectively to annual financial statements relating to fiscal years beginning on or after January 1, 2022.

Standards, guidance, and amendments not yet effective

Cloud Computing Arrangements

The (“AcSB”) issued accounting guideline *AcG-20 Customer’s accounting for cloud computing arrangements* on November 15, 2022.

The guideline provides guidance on:

- (a) accounting for a customer's expenditures in a cloud computing arrangement; and
- (b) determining whether a software intangible asset exists in the arrangement.

The guideline applies to annual financial statements relating to fiscal years beginning on or after January 1, 2024, with earlier application permitted. This guide permits an enterprise to apply a simplification approach to accounting for expenditures in a cloud-based computing arrangement. Under the simplification approach the enterprise expenses expenditures as incurred.

Revenue – Upfront Non-refundable Fees or Payments

The AcSB has postponed the effective date for upfront non-refundable fees or payments (Section 3400, Revenue) to fiscal years beginning on or after January 1, 2025. Amendments are to be applied retrospectively and earlier application is permitted.

Projects being considered by the AcSB

Contributions – Revenue Recognition and Related Matters

As reported to you last year, this project considers the improvements needed to the guidance on accounting for contributions and related topics by NFPOs in Part III of the CPA Canada Handbook – Accounting. In March 2022, the AcSB approved a project to develop an Exposure Draft.

Financial Statement Concepts

As reported to you last year, in March 2019, the AcSB approved a project to review the Financial Statement Concepts in Parts II and III of the CPA Canada Handbook – Accounting. The AcSB is gathering stakeholder feedback from the Consultation Paper issued in 2019 and expects to issue an Exposure Draft in March 2023.

Scaling the Standards

The AcSB is conducting research to help it develop proposals relating to scaling the standards for non-listed entities to better meet the needs of entities of all sizes and interested and affected parties. The AcSB expects to release a Consultation Paper in March 2023.

**Unionville Home Society
Audit and Finance Committee
April 13, 2023**

Planned Audit Timeline, Fiscal 2023

Mid-March	CFO audit planning with auditors
March 31, 2023	Fiscal year end
April 18 th 5:00 pm	A&F Committee meeting with auditors re: audit planning
April 24/26, 2023	Board meetings to review unaudited F/S (pre-audit review)
May 1, 2023	Audit begins
By May 18, 2023	Draft Audited F/S provided to Audit & Finance Committee
May 23, 2023 (time TBD)	Audit & Finance Committee meeting to review audited F/S
May 29, 2023	Board meetings to review audited F/S
By May 31, 2023	Submission to MLTC of Board-approved audited F/S for UHS
Mid-June (date/time TBD)	WGRA Meeting with Auditors to review audited F/S
June 21, 2023 5:00 pm	AGMs for all corporations