

Financial statements of

**WYNDHAM GARDENS
APARTMENTS OF UNIONVILLE**

March 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors 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, 2020, 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, 2020, 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.

TORONTO, Ontario
July 28, 2020



Licensed Public Accountants

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Statement of Financial Position

As at March 31,	2020	2019
Assets		
Current		
Cash	\$ 193,128	\$ 106,851
Cash and investments - internally segregated (notes 3, 4)	1,156,189	926,157
Accounts receivable	29,120	10,970
Prepaid expenses and other assets	53,206	47,888
Due from Unionville Home Society (note 6(b))	36,775	-
	1,468,418	1,091,866
Investments - internally segregated (notes 3, 4)	100,000	500,000
Capital assets (note 5)	5,507,758	5,410,492
	\$ 7,076,176	\$ 7,002,358
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 198,997	\$ 122,159
Residents' deposits	15,750	14,450
Due to New Unionville Home Society (note 6(b))	2,129	-
Deferred Wellness Contribution (note 6(d))	156,054	184,723
Loan payable - Unionville Home Society current portion - (note 6(c))	-	48,574
	372,930	369,906
Net assets		
Unrestricted	5,447,057	5,206,295
Internally restricted - replacement reserve (note 4)	1,256,189	1,426,157
	6,703,246	6,632,452
	\$ 7,076,176	\$ 7,002,358

Subsequent event (note 10)

See accompanying notes to the financial statements.

Approved by the Board:

_____ Director

_____ Director

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Statement of Operations

Year ended March 31,	2020	2019
Revenue		
Maintenance fees	\$ 1,273,094	\$ 1,235,656
Re-leasing commission revenue	384,920	463,000
Interest income	28,976	20,119
Amortization of deferred Wellness Contribution (note 6(c))	28,669	23,760
Wyndham Gardens dining room	14,085	15,353
Other income (note 7)	8,593	9,778
	1,738,337	1,767,666
Expenses		
Building, equipment, and grounds maintenance	210,912	235,788
Utilities	208,200	185,915
Commission on re-leasing	195,732	235,435
Administrative services cost (note 6(a))	172,141	175,972
Salaries and benefits	171,540	173,828
Municipal and property taxes	141,794	148,446
Administration (note 9)	74,541	82,004
Wyndham Gardens dining room	29,570	31,116
Refurbishing cost on re-leasing	2,257	8,490
	1,206,687	1,276,994
Excess of revenue over expenses for the year before amortization	531,650	490,672
Amortization of capital assets	460,856	448,147
Excess of revenue over expenses for the year	\$ 70,794	\$ 42,525

See accompanying notes to the financial statements.

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE**Statement of Changes in Net Assets**

Year ended March 31	Internally restricted - replacement reserve (note 4)	Unrestricted	2020 Total	2019 Total
Balance, beginning of year	\$ 1,426,157	\$ 5,206,295	\$ 6,632,452	\$ 6,589,927
Excess of revenue over expenses for the year	-	70,794	70,794	42,525
Transfers	(169,968)	169,968	-	-
Balance, end of year	\$ 1,256,189	\$ 5,447,057	\$ 6,703,246	\$ 6,632,452

See accompanying notes to the financial statements.

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Statement of Cash Flows

Year ended March 31,	2020	2019
Cash provided (used) by operating activities:		
Excess of revenue over expenses for the year	\$ 70,794	\$ 42,525
Items not requiring an outlay of cash:		
Amortization of capital assets	460,856	448,147
Amortization of deferred Wellness Contribution	(28,669)	(23,760)
	502,981	466,912
Net change in non-cash working capital balances:		
Accounts receivable	(18,150)	(3,078)
Prepaid expenses and other assets	(5,318)	1,218
Accounts payable and accrued liabilities	76,838	48,120
Residents' deposits	1,300	425
Change in amount due to New Unionville Home Society	2,129	(20,543)
Change in amount due to Unionville Home Society	(36,775)	1,541
Net cash provided by operating activities	523,005	494,595
Cash used by financing activities:		
Repayments of loan payable - Unionville Home Society	(48,574)	(48,333)
Cash provided (used) by investing activities:		
Purchase of capital assets	(592,768)	(158,374)
Decrease (increase) in internally segregated cash and investments	169,968	(235,424)
Land transfers - at book value (net)	34,646	-
Net cash used by investing activities	(388,154)	(393,798)
Net increase in cash	86,277	52,464
Cash, beginning of year	106,851	54,387
Cash, end of year	\$ 193,128	\$ 106,851

See accompanying notes to the financial statements.

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

March 31, 2020

1 Organization

The Wyndham Gardens Apartments of Unionville ("the Corporation") is a non-profit corporation incorporated without share capital on August 1, 1985 under the laws of the Province of Ontario. The purpose of the Corporation is to provide and maintain living accommodation and ancillary programs for elderly persons in the 122 residential unit highrise building at 100 Anna Russell Way, Unionville, Ontario.

The Corporation is exempt from income taxes provided certain criteria are met.

The related corporations to the Corporation are New Unionville Home Society, Unionville Home Society, and Unionville Home Society Foundation.

The related corporations are operated by independent Boards of Directors, although certain directors may serve on more than one Board. The assets, liabilities and operating activities of the related entities are excluded from the Corporation's financial statements.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Cash

Cash includes cash deposits with financial institutions and petty cash.

(b) Capital assets

The Corporation records capital assets at cost. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value. An impairment loss is not reversed if the fair value of the capital asset subsequently increases. As at March 31, 2020, no such impairment exists.

Capital assets are depreciated over their estimated useful lives using the straight-line method as follows:

Land improvements	8 years
Building	40 years
Building service equipment	10 to 20 years
Furniture and fixtures	10 years
Wellness Contribution	5 to 10 years

Amounts relating to the Wellness Contribution are funded by a deferred capital contribution received from Unionville Home Society. Refer to note 6(d) for a description of the amount contributed.

(c) Revenue recognition

(i) Resident revenue

Maintenance fees and capital levy revenues are recognized when they are due and when collection is reasonably assured.

Residents' deposits consists of security deposits and are deferred and recorded as income over the period to which they relate.

(ii) Re-leasing commissions

Upon termination of the lease for life, 90% of the re-leasing price will be refunded to the occupant or his or her estate, 30 days after the closing of the re-leasing. The remaining 10% represents re-leasing revenue for the Corporation.

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

March 31, 2020

2 Significant accounting policies (continued)

(c) Revenue recognition (continued)

(iii) Grants

Grants received for specific projects are deferred and amortized into income over the term of the project.

(iv) Investment income

Investment income comprises interest from cash and investments and realized and unrealized gains and losses on investments.

(v) Fees for services

Fees for services are recorded as revenue once the service has been completed.

(d) Contributed services

The value of goods and services is recorded as revenue and an expense in the financial statements when the fair value can be reasonably estimated and when the goods and services would otherwise be purchased if not donated.

Volunteers provide invaluable donated services to the Corporation. Since volunteer time is not purchased, these contributed services are not recognized in the financial statements.

(e) Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and investments, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

(f) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. Significant estimates include the impairment of accounts receivable and useful lives of capital assets.

All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

March 31, 2020

3 Cash and investments - internally segregated

As at March 31,	2020	2019
Guaranteed investment certificates, bearing interest at rates ranging from 2.08% to 2.91% (2019 - 1.45% to 2.91%) and maturing on dates ranging from May 7, 2020 to October 15, 2021 (2019 - April 1, 2019 to February 22, 2021)	\$ 800,000	\$ 1,152,003
Cash and cash equivalents	446,323	261,747
Add: Accrued interest	9,866	12,407
	1,256,189	1,426,157
Less: Long-term investments	(100,000)	(500,000)
	\$ 1,156,189	\$ 926,157

4 Internally restricted replacement reserve

The Board of Directors has internally restricted a replacement reserve fund for the building. The reserve is fully funded and may only be used as approved by the Board of Directors.

The activity in the internally restricted replacement reserve is as follows:

As at March 31,	2020	2019
Balance, beginning of year	\$ 1,426,157	\$ 1,190,733
Expenditures from reserve	(592,767)	(158,375)
Annual reserve contributions	422,799	393,799
Balance, end of year	\$ 1,256,189	\$ 1,426,157

5 Capital assets

As at March 31,	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 387,554	\$ -	\$ 422,200	\$ -
Land improvements	24,308	20,257	24,308	17,218
Building	14,295,041	10,557,670	14,214,275	10,189,984
Building service equipment	1,037,368	274,928	939,759	216,769
Furniture and fixtures	255,364	233,479	245,007	230,177
Wellness Contribution	291,697	135,645	291,697	106,976
Construction in progress	438,405	-	34,370	-
	\$ 16,729,737	\$ 11,221,979	\$ 16,171,616	\$ 10,761,124
Net book value		\$ 5,507,758		\$ 5,410,492

The amount included in construction in progress relates to equipment purchases incurred as part of a capital renewal project. This amount is not being amortized until such time as the project is completed and the related assets are placed into operation.

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

March 31, 2020

6 Related party transactions

All related party balances and transactions are considered in the normal course of operations and have been recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) Administrative services cost

During the year, the Corporation paid administrative services cost totaling \$172,141 (2019 - \$175,972) to New Unionville Home Society.

(b) Due to related parties

The amounts due to / from related parties are receivable / repayable on demand and are non-interest bearing.

(c) Loan payable - Unionville Home Society

The Corporation entered into a loan agreement with Unionville Home Society dated April 19, 2010 in the amount of \$474,992, bearing interest at 0.5% and payable in equal monthly installments at \$4,059.

Interest paid on the loan from Unionville Home Society amounted to \$132 (2019 - \$374).

The loan was extinguished effective March 31, 2020.

(d) Deferred Wellness Contribution

In 2010, pursuant to Board of Directors approval, the Unionville Home Society contributed \$300,000 to the Corporation as a grant for use in the development of a seniors' wellness environment with the goal of promoting healthy aging and the wellness of seniors.

As of March 31, 2020, the full amount of this grant has been spent. The grant is being amortized into income consistent with expenditures incurred.

(e) Land transfer

During the year, the Corporation transferred land with a cost of \$36,774 to the Unionville Home Society and land with a cost of \$3,167 to New Unionville Home Society and received land with a cost of \$5,295 from New Unionville Home Society.

The total area transferred by the Corporation was 1,041 square meters and the Corporation received 919 square meters.

7 Other income

Year ended March 31,	2020	2019
Life Line monitoring	\$ 4,935	\$ 5,964
Hairdressing rental	2,750	2,950
Miscellaneous	908	864
	\$ 8,593	\$ 9,778

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

March 31, 2020

8 Pension plans

The pension plan for non-unionized employees of the Corporation is a defined contribution plan. The plan is funded by contributions which are made by the employees and matched by the Corporation. The employer portion of the pension contribution for the non-unionized employees of the Corporation for the year was \$1,234 (2019 - \$1,215).

The Nursing Homes and Related Industries Pension Plan is a target-benefit plan for members of participating unions and has multiple contributing employers. The plan is funded by contributions made by employees and matched by the Corporation as defined by the collective agreement. The employer portion of the pension contribution for the unionized employees of the Corporation for the year was \$3,686 (2019 - \$3,747).

9 Administration expense

Administration expense consists of the following:

Year ended March 31,	2020	2019
Insurance	\$ 37,657	\$ 37,522
Office and general	19,282	28,582
Professional fees	11,609	10,200
Life Line monitoring	5,993	5,700
	\$ 74,541	\$ 82,004

10 Subsequent event

Governments have enacted emergency legislation in response to declaration that COVID-19 is a pandemic, causing business disruption and economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the financial impact of the COVID-19 pandemic on the results of operations and financial condition of the Corporation in future periods.

11 Financial instruments

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations. The financial instruments and the nature of the risks to which they may be subject are as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk through its cash, investments and accounts receivable.

Resident accounts receivable are unsecured.

The Corporation's bank accounts are held at one financial institution. Funds on deposit exceed the maximum amount insured and hence there is a concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet a demand for cash or fund its obligations as they come due. The Corporation meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipating investing and financing activities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

March 31, 2020

11 Financial instruments (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is subject to interest rate risk to the extent that its loans payable may be subject to interest rate changes on maturity and from its interest bearing assets. The Corporation has not entered into any derivative agreements to mitigate this risk.

The Corporation's cash includes amounts on deposit with financial institutions that earn interest at market rates. The Corporation manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Corporation's results of operations.

Interest rate risk (continued)

The primary objective of the Corporation with respect to its fixed income investments is to ensure the security of principal amounts invested, provide for a high degree of liquidity, and achieve a satisfactory investment return.

Changes in risk

Other than the increased risks resulting from the events described in note 10, there have been no significant changes in the Corporation's risk exposures in financial instruments from the prior year.