

Financial statements of

**NEW UNIONVILLE HOME SOCIETY**

March 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**NEW UNIONVILLE HOME SOCIETY**

### Opinion

We have audited the financial statements of New Unionville Home Society ("New UHS"), which comprise the statement of financial position as at March 31, 2021 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 New UHS as at March 31, 2021, 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 New UHS 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 New 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 New UHS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing New UHS'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 New UHS'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 New 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 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 New UHS 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  
May 27, 2021



**Licensed Public Accountants**

# NEW UNIONVILLE HOME SOCIETY

## Statement of Financial Position

As at March 31,	2021	2020
<b>Assets</b>		
Current		
Cash (note 4)	\$ 1,769,500	\$ 2,097,557
Short term investments (note 5)	2,418,224	2,395,248
Accounts receivable (note 6)	105,532	64,159
Public service body rebate receivable	47,577	33,684
Prepaid expenses and deferred charges	15,703	19,226
Due from Wyndham Gardens Apartments of Unionville (note 3(b))	-	2,129
	<b>4,356,536</b>	<b>4,612,003</b>
Capital assets (note 7)	<b>221,964</b>	<b>258,378</b>
	<b>\$ 4,578,500</b>	<b>\$ 4,870,381</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 162,710	\$ 139,696
Tenants' deposits	43,508	48,549
Deferred revenue	43,045	54,859
Due to Unionville Home Society (note 3(b))	-	93,931
Due to Ministry of Seniors and Accessibility	383	267
Due to the Ministry of Health - CSS Programs (note 11)	8,350	6,962
	<b>257,996</b>	<b>344,264</b>
Deferred capital contributions (note 8)	<b>214,741</b>	<b>337,450</b>
	<b>472,737</b>	<b>681,714</b>
Net assets	<b>4,105,763</b>	<b>4,188,667</b>
	<b>\$ 4,578,500</b>	<b>\$ 4,870,381</b>

See accompanying notes to the financial statements.

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**NEW UNIONVILLE HOME SOCIETY**

## Statement of Operations and Net Assets

Year ended March 31,	2021	2020
Revenue:		
Community Support Services Programs funding (schedule 1)	\$ 517,868	\$ 567,568
Heritage Village and UCCS revenue (schedule 2)	1,081,294	1,105,675
Administrative services cost recovery (note 3(a))	1,483,239	1,359,913
Geriatric Outreach Program	260,709	289,412
Other revenue	88,599	6,553
	<b>3,431,709</b>	<b>3,329,121</b>
Expenses:		
Community Support Services Programs expenditures (schedule 1)	518,750	567,690
Heritage Village and UCCS expenditures (schedule 2)	932,646	1,032,528
Salaries and benefits	1,321,187	874,404
Geriatric Outreach Program	260,709	289,412
General administrative	173,780	187,028
Professional fees	168,821	89,533
Supplies and equipment	137,750	126,241
Amortization of capital assets	970	2,993
	<b>3,514,613</b>	<b>3,169,829</b>
Excess (deficiency) of revenue over expenses for the year before undernoted item	<b>(82,904)</b>	159,292
Gain on sale of land (net)	-	4,592,946
Excess (deficiency) of revenue over expenses for the year	<b>(82,904)</b>	4,752,238
Net assets (deficit), opening	<b>4,188,667</b>	(563,571)
Net assets, closing	<b>\$ 4,105,763</b>	<b>\$ 4,188,667</b>

**NEW UNIONVILLE HOME SOCIETY**

## Statement of Cash Flows

Year ended March 31,	2021	2020
Cash provided (used) by operations:		
Excess (deficiency) of revenue over expenses for the year	\$ (82,904)	\$ 4,752,238
Items not requiring an outlay of cash:		
Amortization of capital assets	36,414	197,143
Amortization of deferred capital contributions	(122,709)	(108,470)
Gain on sale of land	-	(4,592,946)
	<b>(169,199)</b>	247,965
Net change in non-cash working capital balances:		
Accounts receivable	(41,373)	21,674
Public service body rebate receivable	(13,893)	77,386
Prepaid expenses and deferred charges	3,523	98,337
Change in amount due to Unionville Home Society	(93,931)	154,971
Change in amount due from Wyndham Gardens	2,129	(2,129)
Accounts payable and accrued liabilities	23,014	(558,001)
Tenants' deposits	(5,041)	(2,957)
Deferred revenue	(11,814)	35,339
Due to Ministry of Seniors and Accessibility	116	267
Due to the Ministry of Health - CSS Programs	1,388	-
Net cash provided (used) by operating activities	<b>(305,081)</b>	72,852
Cash used by financing activities:		
Repayment of mortgage loan payable	-	(1,606,262)
Cash provided (used) by investing activities:		
Purchase of investments (net)	(22,976)	(2,025,405)
Proceeds on sale of land	-	4,651,538
Land transfers - at book value (net)	-	2,129
Net cash provided (used) by investing activities	<b>(22,976)</b>	2,628,262
Net increase (decrease) in cash	<b>(328,057)</b>	1,094,852
Cash, beginning of year	<b>2,097,557</b>	1,002,705
Cash, end of year	<b>\$ 1,769,500</b>	<b>\$ 2,097,557</b>

# NEW UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2021

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## 1 Organization

New Unionville Home Society ("New UHS") was incorporated without share capital by Letters Patent on April 30, 2007 under the laws of the Province of Ontario and was granted registered charity status in Canada effective April 1, 2012.

New UHS is exempt from income taxes.

New UHS provides independent-living rental bungalows for seniors 60 years of age and older and operates a seniors active living centre to provide recreation, education, and cultural activities for seniors in the community at large. New UHS administers an adult day program for seniors and provides administrative and management services for its related corporations.

The related corporations to New UHS are Unionville Home Society, Unionville Home Society Foundation and Wyndham Gardens Apartments of Unionville.

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 New UHS'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

New UHS 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. When conditions indicate a capital asset no longer contributes to the New UHS's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement costs. As at March 31, 2021, no such impairment exists.

Capital assets are depreciated over their estimated useful lives on a straight-line basis as follows:

Land improvements	8 years
Building	25 years
Equipment	5 to 10 years
Computer equipment	3 to 5 years

### (c) Revenue recognition

#### (i) Contributions

New UHS follows the deferral method of accounting for contributions, which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

## NEW UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2021

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### 2 Significant accounting policies (continued)

#### (c) Revenue recognition (continued)

##### (ii) Resident and program revenue

Rental income is recognized over the term of the lease and when collection is reasonably assured.

Tenants' deposits consists of rent received in advance and security deposits and are deferred and recorded as income over the period to which they relate.

Program fee revenue is recognized as services are rendered.

##### (iii) Investment income

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

#### (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 New UHS. Since the fair value of volunteer time is not easily determinable, these contributed services are not recognized in the financial statements.

#### (e) Financial instruments

New UHS 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.

New UHS 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, useful lives of capital assets, certain accounts payable and accrued liabilities and settlements with government funders.

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



# NEW UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2021

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### 3 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 recovery

During the year, New UHS charged Unionville Home Society and Wyndham Gardens Apartments of Unionville administrative services cost recoveries of \$1,007,628 and \$175,403, respectively (2020 - \$877,329 and \$172,141, respectively). New UHS has also charged the Community Support Services Programs, Heritage Village and Unionville Community Centre for Seniors administrative services cost recoveries of \$42,740, \$218,054 and \$39,414, respectively (2020 - \$42,396, \$244,042 and \$24,005, respectively) for administrative and management services.

#### (b) Due from related parties

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

#### (c) Donations

During the year, New UHS received \$3,000 (2020 - \$5,790) from the Unionville Home Society Foundation.

### 4 Cash

New UHS has a demand operating facility of \$600,000 (2020 - \$600,000) that is available on a consolidated basis to New UHS, Unionville Home Society and Unionville Home Society Foundation. The facility bears interest at prime plus 1% and is secured by a guaranteed investment certificate held by Unionville Home Society and a General Security Agreement representing a second charge on the present and after acquired assets of Unionville Home Society.

As at March 31, 2021, no amount had been drawn on the facility.

### 5 Investments

As at March 31,	2021	2020
Guaranteed investment certificates, bearing interest at rates ranging from 0.45% to 0.55% (2020 - 1.40% to 2.75%) and maturing on dates ranging from June 28, 2021 to March 24, 2022 (2020 - June 1, 2020 to March 12, 2021)	\$ 2,309,615	\$ 2,395,024
Cash and cash equivalents	108,609	224
	<b>\$ 2,418,224</b>	<b>\$ 2,395,248</b>

## NEW UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2021

### 6 Accounts receivable

As at March 31,	2021		2020	
Funding receivable	\$	70,080	\$	25,332
Sundry receivables		17,970		19,307
Grant receivable		17,482		16,396
Amounts due from program clients		-		3,124
	\$	105,532	\$	64,159

### 7 Capital assets

As at March 31,	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 191,162	\$ -	\$ 191,162	\$ -
Land improvements	41,523	39,792	41,523	34,602
Building	4,604,721	4,587,109	4,604,721	4,563,403
Equipment	317,392	305,933	317,392	299,385
Computer equipment	39,363	39,363	39,363	38,393
	\$ 5,194,161	\$ 4,972,197	\$ 5,194,161	\$ 4,935,783
Net book value		\$ 221,964		\$ 258,378

The legal title to land with a carrying value of \$14,035 and included above is registered to Unionville Home Society Foundation, subject to a Trust Acknowledgment Agreement.

New UHS, Unionville Home Society and the Unionville Home Society Foundation have entered into a conditional Agreement of Purchase and Sale dated September 6, 2016 to sell a portion of land. A deposit of \$1,292,000 has been received from the purchaser and is being held in trust. The gain on the sale of land will be recognized in the year the sales transaction closes.

### 8 Deferred capital contributions

Deferred capital contributions related to capital assets represent the unamortized amount of donations, grants and contributed equity received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Year ended March 31,	2021		2020	
Unamortized capital contributions, beginning of year	\$	337,450	\$	445,920
Less: recognized as revenue		(122,709)		(108,470)
	\$	214,741	\$	337,450

# NEW UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

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## 9 Pension plans

The pension plan for non-unionized employees of New UHS is a defined contribution plan. The plan is funded by contributions which are made by the employees and matched by New UHS. New UHS follows defined contribution accounting for its plan. The employer portion of the pension contribution for the non-unionized employees of New UHS for the year was \$39,663 (2020 - \$30,133).

The Nursing Homes and Related Industries Pension Plan is a target-benefit pension plan for members of the participating unions and has multiple contributing employers. The plan is funded by contributions made by the employees and matched by New UHS as defined by the collective agreement. New UHS follows defined contribution accounting for its plan. The employer portion of the pension contribution for the unionized employees of New UHS for the year was \$8,928 (2020 - \$10,025).

## 10 Unionville Home Society Foundation

The Foundation was formed as a corporation without share capital on February 28, 1990 for the purpose of receiving and maintaining funds to be used to support New UHS and other non-profit residential accommodation corporations that operate and provide non-profit housing exclusively for senior citizens.

The Foundation has not been consolidated in the financial statements of New UHS. Separate financial statements of the Foundation are available upon request. Financial summaries of this unconsolidated entity as at March 31, 2021 and for the year then ended are as follows:

As at March 31,	2021	2020
<b>Financial position</b>		
Total assets	\$ 870,648	\$ 738,274
Total liabilities	10,353	11,947
Total net assets	860,295	726,327
	\$ 870,648	\$ 738,274
<b>Results of operations</b>		
Total revenue	\$ 337,526	\$ 495,991
Donation expense	64,896	180,052
Operating expenses	138,662	227,975
	203,558	408,027
Excess of revenue over expenses for the year	\$ 133,968	\$ 87,964
<b>Cash flows</b>		
Cash provided by operating activities	\$ 136,152	\$ 50,793
Cash used by investing activities	(13,662)	(61,977)
Net increase (decrease) in cash	\$ 122,490	\$ (11,184)

# NEW UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2021

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## 11 Administered programs

New UHS administers Community Support Services ("CSS") Programs on behalf of the Ministry of Health ("MOH") through the Central LHIN. Details of the funding received and the expenditures incurred by New UHS in carrying out the programs are detailed in Schedule 1 of the financial statements.

The amount of the funding provided to New UHS is subject to a final review and approval by the MOH. As at the date of these financial statements, funding for the period April 1, 2020 to March 31, 2021 has not been subject to this review process. Any adjustments required as a result of this review will be accounted for in the year of settlement.

## 12 Financial instruments

New UHS is exposed to various risks through its financial instruments. The following analysis provides a measure of New UHS'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. New UHS is exposed to credit risk through its cash, investments, accounts receivable and due from related parties.

Resident accounts receivable are unsecured. Other receivables are comprised of harmonized sales tax receivable and amounts due from the Ministry of Health which are secured by provincial and / or federal governments.

New UHS'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.

Credit risk related to investments is minimized by ensuring that these assets are invested with credit-worthy parties.

### Liquidity risk

Liquidity risk is the risk that New UHS will not be able to meet a demand for cash or fund its obligations as they come due. New UHS 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.

New UHS is not exposed to currency risk or other price risk.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

New UHS's cash includes amounts on deposit with financial institutions that earn interest at market rates. New UHS 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 New UHS's results of operations.

The primary objective of New UHS 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

There have been no significant changes in New UHS's risk exposures in financial instruments from the prior year.

**NEW UNIONVILLE HOME SOCIETY**  
**Schedule 1 - Community Support Services Programs**

Year ended March 31,	2021	2020
<b>Revenue</b>		
MOH funding	\$ 499,940	\$ 484,014
MOH one-time funding	17,890	-
Service recipient revenue	19	82,285
Other revenue	19	1,269
	<b>517,868</b>	<b>567,568</b>
<b>Expenses</b>		
Salaries and benefits	265,182	281,094
Contracted services	171,000	171,000
Administrative services (note 3(a))	42,740	42,396
Supplies and sundry	26,575	65,437
Equipment expenses	13,253	7,763
	<b>518,750</b>	<b>567,690</b>
Deficiency of revenue over expenses for the year before repayable to MOH	\$ (882)	\$ (122)

**NEW UNIONVILLE HOME SOCIETY**

## Schedule 2 - Heritage Village and Unionville Community Centre for Seniors

Year ended March 31,	Heritage Village	Unionville Community Centre for Seniors	2021 Total	2020 Total
Revenue				
Rental income	\$ 607,636	\$ -	\$ 607,636	\$ 617,888
Subsidy - Regional Municipality of York	225,526	-	225,526	228,394
Amortization of deferred capital contributions	78,442	44,267	122,709	108,470
Seniors Active Living Centre funding	-	42,700	42,700	52,460
Other revenue	13,274	11,914	25,188	19,598
Grants - City of Markham	-	23,715	23,715	33,052
Investment income	23,214	-	23,214	38,813
Seniors Active Living Centre one-time funding	-	8,256	8,256	-
Membership fees	-	2,350	2,350	7,000
	<b>948,092</b>	<b>133,202</b>	<b>1,081,294</b>	<b>1,105,675</b>
Expenses				
Administrative services (note 3(a))	218,054	39,414	257,468	268,047
Building and grounds	221,451	26,276	247,727	139,506
Salaries and benefits	131,529	61,070	192,599	214,291
Utilities	134,027	4,953	138,980	142,976
Supplies and sundry	23,457	15,164	38,621	48,153
Amortization of capital assets	23,019	12,425	35,444	194,150
Mortgage and loan interest	-	-	-	13,263
Property taxes	11,526	-	11,526	10,629
Equipment expenses	281	10,000	10,281	1,513
	<b>763,344</b>	<b>169,302</b>	<b>932,646</b>	<b>1,032,528</b>
Excess (deficiency) of revenue over expenses for the year	\$ 184,748	\$ (36,100)	\$ 148,648	\$ 73,147