

Financial statements of

**UNIONVILLE HOME SOCIETY**

March 31, 2023

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## 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 statement 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 and Note 18 of the financial statements, which describes the amalgamation of New Unionville Home Society ("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.

TORONTO, Ontario  
May 29, 2023

A handwritten signature in blue ink, appearing to be 'A. L. P.', is written over the printed name 'Licensed Public Accountants'.

**Licensed Public Accountants**

# UNIONVILLE HOME SOCIETY

## Statement of Financial Position

As at March 31,	2023	2022
		(notes 18, 19)
<b>Assets</b>		
Current		
Cash	\$ -	\$ 593,976
Investments (note 4)	2,784,064	3,048,839
Accounts receivable (note 5)	371,558	111,168
Public service bodies' rebate receivable	228,715	146,897
Prepaid expenses	76,740	50,613
Due from the Ministry of Long-Term Care (notes 13(a), (b))	22,790	-
Due from Unionville Home Society Foundation (note 3(b))	20,603	-
Due from Wyndham Gardens Apartments of Unionville (note 3(b))	26,324	-
Land held for sale (note 6)	191,162	-
	<b>3,721,956</b>	<b>3,951,493</b>
Investments (note 4)	125,000	-
Capital assets (note 8)	7,555,251	8,243,873
	<b>\$ 11,402,207</b>	<b>\$ 12,195,366</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Bank indebtedness (note 7)	\$ 334,841	\$ -
Accounts payable and accrued liabilities (note 9)	2,819,020	1,314,061
Deferred revenue	14,083	62,842
Due to the Ministry of Long-Term Care (notes 13(a), (b))	-	336,297
Current portion of mortgage loan payable (note 10)	747,163	700,799
	<b>3,915,107</b>	<b>2,413,999</b>
Mortgage loan payable (note 10)	6,025,084	6,772,247
Deferred capital contributions (note 11)	1,178,467	1,294,834
	<b>11,118,658</b>	<b>10,481,080</b>
Net assets	<b>283,549</b>	<b>1,714,286</b>
	<b>\$ 11,402,207</b>	<b>\$ 12,195,366</b>

Commitment (note 12)  
Contingencies (note 13)

See accompanying notes to the financial statements.

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**UNIONVILLE HOME SOCIETY**  
Statement of Operations and Net Assets

Year ended March 31,	2023	2022 (notes 18, 19)
<b>Revenue</b>		
Union Villa (schedule 1)	<b>\$ 16,963,736</b>	\$ 15,166,530
Heritage Village & Unionville Community Centre for Seniors (schedule 2)	<b>953,638</b>	1,043,241
Community Support Services Programs (schedule 3)	<b>566,853</b>	514,299
Geriatric Outreach Program	<b>290,866</b>	254,954
Administrative services cost recovery (note 3(a))	<b>226,692</b>	220,092
Investment income	<b>37,885</b>	-
Other revenue	<b>23,576</b>	21,348
	<b>19,063,246</b>	17,220,464
<b>Expenses</b>		
Union Villa (schedule 1)	<b>17,988,765</b>	15,365,587
Heritage Village & Unionville Community Centre for Seniors (schedule 2)	<b>1,092,592</b>	869,647
Community Support Services Programs (schedule 3)	<b>636,057</b>	514,647
Administrative services (schedule 4)	<b>485,703</b>	368,831
Geriatric Outreach Program	<b>290,866</b>	254,954
	<b>20,493,983</b>	17,373,666
Deficiency of revenue over expense for the year	<b>(1,430,737)</b>	(153,202)
Net assets, opening	<b>1,714,286</b>	1,867,488
Net assets, closing	<b>\$ 283,549</b>	\$ 1,714,286

# UNIONVILLE HOME SOCIETY

## Statement of Cash Flows

Year ended March 31,	2023	2022
		(notes 18, 19)
Cash provided (used) by operations:		
Deficiency of revenue over expenses for the year	\$ (1,430,737)	\$ (153,202)
Items not requiring an outlay of cash:		
Amortization of capital assets	976,983	929,227
Amortization of deferred capital contributions	(277,323)	(298,769)
	<u>(731,077)</u>	477,256
Net change in non-cash working capital balances:		
Accounts receivable	(260,390)	37,694
Public service bodies' rebate receivable	(81,818)	33,254
Prepaid expenses	(26,127)	(18,237)
Due from the Ministry of Long-Term Care	(359,087)	371,619
Due from Unionville Home Society Foundation	(20,603)	-
Due from Wyndham Gardens Apartments of Unionville	(26,324)	-
Accounts payable and accrued liabilities	1,504,959	(193,434)
Deferred revenue	(48,759)	(13,064)
	<u>(49,226)</u>	695,088
Net cash provided (used) by operating activities		
Cash provided (used) by financing activities:		
Repayment of mortgage loan payable	(700,799)	(657,311)
Capital contributions received	160,956	163,900
	<u>(539,843)</u>	(493,411)
Net cash used by financing activities		
Cash provided (used) by investing activities:		
Sale (purchase) of investments (net)	139,775	(10,628)
Purchase of capital assets	(479,523)	(355,797)
	<u>(339,748)</u>	(366,425)
Net cash used by investing activities		
Net decrease in cash	(928,817)	(164,748)
Cash, beginning of year	593,976	758,724
Cash (bank indebtedness), end of year	\$ (334,841)	\$ 593,976

# UNIONVILLE HOME SOCIETY

## Notes to the Financial Statements

March 31, 2023

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### 1 Organization

Unionville Home Society ("the Society") is a non-profit, non-denominational, registered charitable corporation, incorporated without share capital on May 15, 1967 under the laws of the Province of Ontario. The Society amalgamated with New Unionville Home Society ("New UHS") effective April 1, 2022.

The Society's purpose is to deliver high quality services and compassionate care for seniors in its community. The Society operates and maintains a long-term care home, Union Villa, as well as an adult day program which provides specialized social and therapeutic recreation services for seniors. The Society provides comprehensive in-home assessments and coordinates health care and social support services through its outreach team and operates a seniors active living centre to provide recreation, education and cultural activities for seniors in the community at large. The Society also provides administrative and management services for its related corporations.

The Society is exempt from income taxes.

The related corporations to the Society are 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 Society'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 Society 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 Society'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, 2023, no such impairment exists.

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

Land improvements	8 to 20 years
Building	10 to 25 years
Building service equipment	5 to 25 years
Equipment	5 to 15 years
Computer equipment	3 to 5 years

#### (c) Revenue recognition

##### (i) Contributions

The Society 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.

## UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

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### 2 Significant accounting policies (continued)

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

##### (ii) Resident accommodation revenue

Resident accommodation revenue is recognized as services are rendered.

##### (iii) Resident and program revenue

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

Program fee revenue is recognized as services are rendered.

##### (iv) Investment income

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

#### (d) Allocated expenses

Certain administrative services costs, including salaries and benefits and other general administration costs and supplies, are allocated to the administered programs which they benefit by management using their best estimate based on time for labour and usage of materials.

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

#### (f) Financial instruments

The Society 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 Society 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.

#### (g) 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, settlements with government funders and the allocation of expenses to the administered programs.

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



# UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

## 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

During the year, the Society charged Wyndham Gardens Apartments of Unionville administrative services cost recoveries of \$226,692 (2022 - \$220,092).

### (b) Donations

During the year, the Society received donations in the amount of \$184,368 (2022 - \$90,645) from the Unionville Home Society Foundation.

## 4 Investments

As at March 31,	2023	2022
Guaranteed investment certificates, bearing interest at rates ranging from 4.30% to 4.50% (2022 - 0.55% to 2.00%) and maturing on dates ranging from June 6, 2023 to March 3, 2025 (2022 - April 26, 2022 to March 28, 2023)	\$ 2,820,736	\$ 2,993,517
Cash and cash equivalents	88,328	55,322
	<b>2,909,064</b>	3,048,839
Less: Long-term investments	(125,000)	-
	<b>\$ 2,784,064</b>	\$ 3,048,839

A guaranteed investment certificate with a carrying amount of \$601,775 (2022 - \$606,267) has been pledged as security on the demand operating facility described in note 7.

## 5 Accounts receivable

As at March 31,	2023	2022
Sundry receivables	\$ 204,786	\$ 26,355
Funding receivable	102,713	44,181
Amounts due from service recipients	97,903	64,576
	<b>405,402</b>	135,112
Less: allowance for doubtful accounts	(33,844)	(23,944)
	<b>\$ 371,558</b>	\$ 111,168

# UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

## 6 Land held for sale

The Society has entered into a conditional Agreement of Purchase and Sale dated September 6, 2016 to sell land. A deposit of \$1,292,000 has been received from the purchaser and is being held in trust. The land has been moved to land held for sale as the conditions for the sale transaction have been substantially met. The gain on the sale of land will be recognized in the year the sale transaction closes.

As a condition of the land sale the Society is required to provide the purchaser with vacant possession of the subject land. Accordingly, the Society discontinued its operations at Heritage Village (schedule 2) as the land on which the Heritage Village building is situated is part of the land sale.

The current and past operations of Heritage Village have been presented as discontinued operations as follows:

Year ended March 31,	2023	2022
Revenue	\$ 795,153	\$ 881,231
Expenses	826,285	622,230
Excess (deficiency) of revenue over expenses for the year	\$ (31,132)	\$ 259,001

## 7 Bank indebtedness

The Society has available a demand operating facility not to exceed the maximum of \$600,000 (2022 - \$600,000) on a consolidated basis with Unionville Home Society Foundation. The demand operating facility bears interest at prime plus 1% and is secured by the guaranteed investment certificate detailed in note 4 and a General Security Agreement representing a second charge on the present and after acquired assets of the Society.

As at March 31, 2023 the amount drawn on the facility by the Society is offset on a consolidated basis by cash deposits in Unionville Home Society Foundation.

As at March 31, 2023, no amount had been drawn on the facility on a consolidated basis.

The net cash balance on a consolidated basis yields interest at a rate of 0.70%.

## 8 Capital assets

As at March 31,	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 551,018	\$ -	\$ 742,180	\$ -
Land improvements	110,652	21,870	81,035	54,428
Building	19,228,674	13,579,839	23,766,080	17,375,182
Building service equipment	1,030,262	268,697	725,663	203,245
Equipment	2,672,022	2,323,407	2,959,094	2,549,343
Computer equipment	420,096	263,660	355,251	269,145
Construction in progress	-	-	65,913	-
	\$ 24,012,724	\$ 16,457,473	\$ 28,695,216	\$ 20,451,343
Net book value		\$ 7,555,251		\$ 8,243,873

# UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

## 9 Accounts payable and accrued liabilities

As at March 31,	2023	2022
Payroll related accruals	\$ 1,472,007	\$ 483,711
Trade payables and accrued liabilities	1,167,868	644,097
Government remittances payable	140,470	143,825
Mortgage interest payable	36,249	40,002
Ministry of Health - Community Support Services ("CSS") Programs	2,099	2,099
Ministry of Seniors and Accessibility	327	327
	<b>\$ 2,819,020</b>	<b>\$ 1,314,061</b>

## 10 Mortgage loan payable

As at March 31,	2023	2022
Manulife Financial, 6.51% interest, repayable in equal monthly installments of \$96,703, due July 1, 2025	\$ 6,772,247	\$ 7,473,046
Less: current portion	747,163	700,799
	<b>\$ 6,025,084</b>	<b>\$ 6,772,247</b>

The Manulife Financial mortgage loan is secured by a portion of the land included in note 8 with a book value of \$234,370.

The principal repayments of the above mortgage over the term to maturity are approximately as follows:

2024	\$ 747,163
2025	796,595
2026	5,228,489
	<u>\$ 6,772,247</u>

## 11 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.

As at March 31,	2023	2022
Unamortized capital contributions, beginning of year	\$ 1,294,834	\$ 1,429,703
Capital contributions received	160,956	163,900
Amounts amortized to revenue	(277,323)	(298,769)
	<b>\$ 1,178,467</b>	<b>\$ 1,294,834</b>

## UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

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### 12 Commitment

The Society entered into a construction and cost sharing agreement for the design and construction of shared roadways and services on the campus. The total design and construction costs are estimated at \$5,571,537 plus HST. The Society's share of these costs is \$88,013 plus HST.

As at March 31, 2023, \$62,688 has been recorded in accrued liabilities related to this work.

### 13 Contingencies

#### (a) Ontario Ministry of Long-Term Care

The Society receives funding from the Government of Ontario through the Ministry of Long-Term Care ("the MLTC") to assist with the expenditures of the long term care home. The amount of the funding provided to the Society is subject to final review and approval by the MLTC.

As at the date of these financial statements, funding for the period of January 1, 2019 to March 31, 2023 has not been subject to this review process. Any adjustments required as a result of these reviews will be accounted for in the year of settlement.

The Society provides an Annual Report for the home to the Government of Ontario reconciling funding to expenditures. The Annual Report is used to determine whether any amounts must be repaid to the Government of Ontario. Amounts repayable are estimated and accrued in the financial statements. The Government of Ontario may terminate the servicing agreement if it determines that the Society is in breach of any of its terms and conditions and the breach is not cured within an established time period after written notice of the breach is provided. Upon termination, funding received in relation to certain capital assets may have to be repaid to the Government of Ontario if the related assets are sold.

#### (b) Ontario Ministry of Health - Ontario Health

The Society administers CSS Programs on behalf of the Ministry of Health through Ontario Health ("MOH-OH"). Details of the funding received and expenditures incurred by the Society in carrying out the programs are detailed in Schedule 3 of the financial statements.

The amount of the funding provided to the Society is subject to final review and approval by the MOH-OH. As at the date of these financial statements funding for the period April 1, 2021 to March 31, 2023 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.

#### (c) Legal claims

The Society may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Such matters are subject to many uncertainties. Management believes that the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the Society. Any amounts of settlement of claims will be charged to the statement of operations in the year of settlement.

### 14 Economic dependence

The Society received \$12,843,227 (2022 - \$11,592,269) of funding from the Government of Ontario. This funding represents approximately 67% (2022 - 67%) of total revenue. The Society's ability to provide existing services on an on-going basis is dependent on receiving the continued support of the Government of Ontario.

# UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

## 15 Pension plans

The Pension Plan for Employees of Unionville Home Society is a defined contribution plan. The plan is funded by contributions which are made by the employees and matched by the Society. The employer portion of the pension contribution for the non-unionized employees of the Society for the year was \$76,697 (2022 - \$69,958).

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 the Society as defined by the collective agreement. The employer portion of the pension contribution for the unionized employees of the Society for the year was \$215,016 (2022 - \$192,489).

## 16 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 the Society and 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 the Society. Separate financial statements of the Foundation are available upon request.

Financial summaries of this unconsolidated entity as at March 31, 2023 and for the year then ended are as follows:

As at March 31,	2023	2022
<b>Financial position</b>		
Total assets	\$ 1,108,804	\$ 1,025,218
Total liabilities	44,625	8,866
Total net assets	1,064,179	1,016,352
	\$ 1,108,804	\$ 1,025,218
<b>Results of operations</b>		
Total revenue	\$ 450,069	\$ 393,092
Operating expenses	217,874	146,390
Donation expense	184,368	90,645
	402,242	237,035
Excess of revenue over expenses for the year	\$ 47,827	\$ 156,057
<b>Cash flows</b>		
Cash provided by operating activities	\$ 73,342	\$ 160,376
Cash used by financing and investing activities	(96,964)	(79,575)
Net increase (decrease) in cash	\$ (23,622)	\$ 80,801

## UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

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### 17 Financial instruments

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

Resident accounts receivable are unsecured. Other receivables are comprised of public service bodies' rebates receivable and amounts due from the Ministry of Long-Term Care which are secured by provincial and/or federal governments.

#### **Liquidity risk**

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

The Society 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. The Society is subject to interest rate risk to the extent that its bank indebtedness and mortgage payable may be subject to interest rate changes on maturity and from its interest bearing assets. The Society has not entered into any derivative agreements to mitigate this risk.

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

The primary objective of the Society 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 the Society's risk exposures in financial instruments from the prior year.

## UNIONVILLE HOME SOCIETY

Notes to the Financial Statements

March 31, 2023

### 18 Amalgamation

The Society amalgamated with New UHS effective April 1, 2022 for the purpose of continuing to deliver high-quality services and compassionate care for seniors in its community.

The combination has been accounted for as a merger in accordance with *Section 4449, Combinations by not-for-profit organizations in Part III of the Chartered Professional Accountant Canada Handbook*.

As a result, the prior year comparative figures show the aggregated results for the two predecessor corporations as though the organizations had always been combined. No adjustments were required to comparative information in order to align prior year accounting policies with those of the amalgamated entity.

The aggregated statement of operations for the year-ended March 31, 2022 is summarized as follows:

	<b>Society (before amalgamation)</b>	<b>New UHS</b>	<b>Adjustments</b>	<b>Total</b>
Total revenue	\$ 15,183,160	\$ 3,371,578	\$ (1,334,274)	\$ 17,220,464
Total expenses	(15,365,586)	(3,342,354)	1,334,274	(17,373,666)
	\$ (182,426)	\$ 29,224	\$ -	\$ (153,202)

The aggregated statement of financial position as at March 31, 2022 is summarized as follows:

	<b>Society (before amalgamation)</b>	<b>New UHS</b>	<b>Adjustments</b>	<b>Total</b>
Total assets	\$ 8,808,610	\$ 4,395,905	\$ (1,009,149)	\$ 12,195,366
Total Liabilities	11,229,311	260,918	(1,009,149)	10,481,080
Net assets (deficit)	(2,420,701)	4,134,987	-	1,714,286
Total liabilities and net assets	\$ 8,808,610	\$ 4,395,905	\$ -	\$ 12,195,366

The adjustment included in the tables above represents elimination of intercompany transactions between the predecessor corporations and changes to presentation arising from the amalgamation.

### 19 Comparative information

The comparative information includes the aggregated results of the Society and New UHS from when they were operating independently. Certain comparative information included in the aggregated results for 2022 have been reclassified to conform with the financial statement presentation adopted in the current year.

**UNIONVILLE HOME SOCIETY**  
Schedule 1 - Union Villa Long-Term Care

Year ended March 31	2023	2022
<b>Revenue</b>		
Government funding	<b>\$ 12,320,708</b>	\$ 11,088,355
Accommodation basic	<b>3,176,089</b>	2,954,600
Accommodation preferred	<b>918,816</b>	820,493
Other revenue	<b>221,986</b>	89,711
Amortization of deferred contributions	<b>185,291</b>	176,060
Donations revenue	<b>140,846</b>	35,128
Investment income	<b>-</b>	2,183
	<b>16,963,736</b>	15,166,530
<b>Expenses</b>		
Salaries and benefits	<b>10,459,445</b>	8,875,606
Agency staffing and contracted health services	<b>1,125,291</b>	856,766
Contracted dietary, environmental and laundry services	<b>1,013,279</b>	1,021,637
Administrative services cost	<b>999,924</b>	970,800
Amortization of capital assets	<b>956,127</b>	908,301
Building, equipment and ground maintenance	<b>845,053</b>	353,093
Raw food	<b>637,101</b>	556,530
Nursing supplies and equipment	<b>538,371</b>	499,295
Mortgage loan interest	<b>455,879</b>	499,601
Utilities	<b>398,596</b>	352,707
Accommodation services supplies and equipment	<b>330,691</b>	276,142
Program supplies and equipment	<b>86,168</b>	50,880
Insurance	<b>66,046</b>	62,190
General administration	<b>51,715</b>	54,972
Professional fees	<b>25,079</b>	27,067
	<b>17,988,765</b>	15,365,587
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (1,025,029)</b>	\$ (199,057)



# UNIONVILLE HOME SOCIETY

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

Year ended March 31,	Heritage Village (Discontinued Operations (note 6))	Unionville Community Centre for Seniors	2023 Total	2022 Total
<b>Revenue</b>				
Rental income	\$ 451,919	\$ 2,758	\$ 454,677	\$ 542,885
Subsidy - Regional Municipality of York	227,145	-	227,145	238,047
Amortization of deferred capital contributions	58,831	33,201	92,032	122,709
Other revenue	10,688	36,569	47,257	29,768
Investment income	46,570	-	46,570	10,467
Seniors Active Living Centre funding	-	42,700	42,700	42,700
Grants - City of Markham	-	32,401	32,401	32,400
Seniors Active Living Centre one-time funding	-	6,331	6,331	20,540
Membership fees	-	4,525	4,525	3,725
	<b>795,153</b>	<b>158,485</b>	<b>953,638</b>	<b>1,043,241</b>
<b>Expenses</b>				
Administrative services cost	264,093	40,680	304,773	296,278
Salaries and benefits	114,231	135,291	249,522	239,677
Building and grounds	139,003	36,623	175,626	104,340
Utilities	151,058	6,376	157,434	147,789
Transition assistance	105,737	-	105,737	-
Supplies and sundry	51,680	39,008	90,688	37,965
Amortization of capital assets	4,911	7,428	12,339	18,462
Equipment expenses	2,329	901	3,230	23,579
Municipal taxes (recovery)	(6,757)	-	(6,757)	1,557
	<b>826,285</b>	<b>266,307</b>	<b>1,092,592</b>	<b>869,647</b>
Excess (deficiency) of revenue over expenses for the year	\$ (31,132)	\$ (107,822)	\$ (138,954)	\$ 173,594

**UNIONVILLE HOME SOCIETY****Schedule 3 - Community Support Services Programs**

Year ended March 31,	2023	2022
Revenue		
Government funding	\$ 522,519	\$ 503,914
Service recipient revenue	40,274	10,385
Other revenue	4,060	-
	<b>566,853</b>	514,299
Expenses		
Salaries and benefits	353,964	245,038
Contracted services	176,384	171,000
Administrative services cost	52,080	50,566
Supplies and sundry	47,443	30,550
Equipment expenses	6,186	17,493
	<b>636,057</b>	514,647
Deficiency of revenue over expenses for the year	\$ (69,204)	\$ (348)

**UNIONVILLE HOME SOCIETY**  
 Schedule 4 - Administrative Services

Year ended March 31,	2023	2022
Salaries and benefits	\$ 1,210,369	\$ 1,083,427
General administrative	468,422	404,567
Supplies and equipment	88,101	47,948
Professional fees	67,072	148,069
Amortization of capital assets	8,516	2,464
	<b>1,842,480</b>	1,686,475
Less: recovery from administered programs	<b>(1,356,777)</b>	(1,317,644)
	<b>\$ 485,703</b>	\$ 368,831