

Financial statements of

**WYNDHAM GARDENS  
APARTMENTS OF UNIONVILLE**

March 31, 2024

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## 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, 2024, 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, 2024, 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  
May 28, 2024



Licensed Public Accountants

# WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

## Statement of Financial Position

As at March 31,	2024	2023
<b>Assets</b>		
Current		
Cash (note 3)	\$ 472,108	\$ 457,692
Cash and investments - internally segregated (notes 4, 5)	1,262,481	1,204,222
Prepaid expenses and other assets	<u>56,959</u>	<u>53,390</u>
	1,791,548	1,715,304
Investments - internally segregated (notes 4, 5)	300,000	565,000
Capital assets (note 6)	<u>4,813,547</u>	<u>4,892,647</u>
	\$ 6,905,095	\$ 7,172,951
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 139,865	\$ 168,647
Residents' deposits	12,330	11,430
Due to Unionville Home Society (note 7(b))	-	26,324
Deferred Wellness Contribution (note 7(c))	<u>68,920</u>	<u>89,719</u>
	221,115	296,120
Net assets		
Unrestricted	5,121,499	5,107,609
Internally restricted - replacement reserve (note 5)	<u>1,562,481</u>	<u>1,769,222</u>
	6,683,980	6,876,831
	\$ 6,905,095	\$ 7,172,951

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,	2024	2023
<b>Revenue</b>		
Maintenance fees	\$ 1,467,853	\$ 1,390,033
Re-leasing commission	376,672	262,750
Interest income	97,168	55,225
Capital levy	38,198	38,199
Amortization of deferred Wellness Contribution (note 7(c))	20,800	20,800
Other income	4,343	3,205
	<b>2,005,034</b>	<b>1,770,212</b>
<b>Expenses</b>		
Building, equipment, and grounds maintenance	341,928	308,973
Utilities	267,927	258,517
Administrative services cost (note 7(a))	257,208	226,692
Salaries and benefits	237,937	192,287
Commission on re-leasing	198,317	133,608
Municipal and property taxes	168,520	169,224
Administration (note 8)	151,461	90,419
Refurbishing cost on re-leasing	1,806	2,490
	<b>1,625,104</b>	<b>1,382,210</b>
Excess of revenue over expenses for the year before amortization	<b>379,930</b>	<b>388,002</b>
Amortization of capital assets	<b>572,781</b>	<b>526,692</b>
Deficiency of revenue over expenses for the year	<b>\$ (192,851)</b>	<b>\$ (138,690)</b>

## WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

### Statement of Changes in Net Assets

Year ended March 31

	Internally restricted - replacement reserve (note 5)	Unrestricted	2024 Total	2023 Total
Balance, beginning of year	\$ 1,769,222	\$ 5,107,609	\$ 6,876,831	\$ 7,015,521
Deficiency of revenue over expenses for the year	-	(192,851)	(192,851)	(138,690)
Transfers (net)	(206,741)	206,741	-	-
Balance, end of year	\$ 1,562,481	\$ 5,121,499	\$ 6,683,980	\$ 6,876,831

# WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

## Statement of Cash Flows

Year ended March 31,	2024	2023
Cash provided (used) by operating activities:		
Deficiency of revenue over expenses for the year	\$ (192,851)	\$ (138,690)
Items not requiring an outlay of cash:		
Amortization of capital assets	572,781	526,692
<u>Amortization of deferred Wellness Contribution</u>	<u>(20,800)</u>	<u>(20,800)</u>
	359,130	367,202
Net change in non-cash working capital balances:		
Prepaid expenses and other assets	(3,569)	(6)
Accounts payable and accrued liabilities	(28,781)	103,943
Residents' deposits	900	(1,320)
<u>Due to Unionville Home Society</u>	<u>(26,324)</u>	<u>26,324</u>
<u>Net cash provided by operating activities</u>	<u>301,356</u>	<u>496,143</u>
Cash provided (used) by investing activities:		
Purchase of capital assets	(493,681)	(522,653)
Decrease in internally segregated cash and investments	206,741	256,627
<u>Net cash used by investing activities</u>	<u>(286,940)</u>	<u>(266,026)</u>
Net increase in cash	14,416	230,117
<u>Cash, beginning of year</u>	<u>457,692</u>	<u>227,575</u>
<u>Cash, end of year</u>	<u>\$ 472,108</u>	<u>\$ 457,692</u>

# WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

## Notes to the Financial Statements

March 31, 2024

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### 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.

The related corporations to the Corporation are 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, petty cash and cash held in corporate tiered investment savings account.

(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. When conditions indicate a capital asset no longer contributes to the Corporation'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, 2024, 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	40 years
Building service equipment	10 to 25 years
Furniture and fixtures	5 to 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 7(c) 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, within 30 days after the closing of the re-leasing. The remaining 10% represents re-leasing revenue for the Corporation, which is recognized on closing of the re-leasing transaction.

# WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

March 31, 2024

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## 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 the fair value of volunteer time is not easily determinable, 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 useful lives of capital assets and certain accrued liabilities.

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

## 3 Cash

Cash balances yield interest at rates ranging from 0.00% to 4.20% (2023 - 0.70% to 4.40%).

# WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

## Notes to the Financial Statements

March 31, 2024

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### 4 Cash and investments - internally segregated

As at March 31,	2024	2023
Guaranteed investment certificates and term deposits, bearing interest at rates ranging from 3.65% to 5.50% (2023 - 2.25% to 5.05%) and maturing on dates ranging from May 6, 2024 to March 6, 2026 (2023 - May 25, 2023 to March 31, 2025)	\$ 1,315,000	\$ 1,590,000
<u>Cash and cash equivalents</u>	<u>247,481</u>	<u>179,222</u>
	<b>1,562,481</b>	<b>1,769,222</b>
Less: Long-term investments	(300,000)	(565,000)
	<b>\$ 1,262,481</b>	<b>\$ 1,204,222</b>

### 5 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,	2024	2023
Balance, beginning of year	\$ 1,769,222	\$ 2,025,849
Expenditures from reserve	(493,681)	(522,653)
Annual reserve contributions	<b>286,940</b>	<b>266,026</b>
Balance, end of year	<b>\$ 1,562,481</b>	<b>\$ 1,769,222</b>

### 6 Capital assets

As at March 31,	2024	2023		
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 387,554	\$ -	\$ 387,554	\$ -
Land improvements	365,345	47,144	116,564	32,325
Building	14,936,343	12,128,995	14,886,325	11,701,750
Building service equipment	1,881,192	661,433	1,686,310	555,367
Furniture and fixtures	259,697	247,931	259,697	244,079
Wellness Contribution	291,697	222,778	291,697	201,979
	<b>\$ 18,121,828</b>	<b>\$ 13,308,281</b>	<b>\$ 17,628,147</b>	<b>\$ 12,735,500</b>
Net book value				
	<b>\$ 4,813,547</b>			<b>\$ 4,892,647</b>

# WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

Notes to the Financial Statements

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## 7 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 \$257,208 (2023 - \$226,692) to 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) 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.

The full amount of this grant has been spent. The grant is being amortized into income consistent with the amortization of the funded capital assets.

## 8 Administration expense

Administration expense consists of the following:

Year ended March 31,	2024	2023
Professional fees	\$ 61,658	\$ 25,566
Insurance	47,399	42,703
Office and general	42,404	22,150
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	\$ 151,461	\$ 90,419

# WYNDHAM GARDENS APARTMENTS OF UNIONVILLE

## Notes to the Financial Statements

March 31, 2024

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### 9 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 \$1,699 (2023 - \$1,530).

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 \$5,087 (2023 - \$4,267).

### 10 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.

The Corporation 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 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.

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

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