
Financial statements of
March of Dimes Canada
Non-Profit Housing Corporation

March 31, 2022

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Independent Auditor's Report

To the Directors of
March of Dimes Canada Non-Profit Housing Corporation

Opinion

We have audited the financial statements of March of Dimes Canada Non-Profit Housing Corporation ("NPHC"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NPHC as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 NPHC 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist NPHC to comply with Section 80(2) of the *Housing Services Act*, and guidance in its application, issued by Housing and Residential Services Division of the Regional Municipality of Halton. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 the basis of accounting described in Note 2 to the financial statements, 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 NPHC'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 NPHC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing NPHC'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 GAAS 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 GAAS, 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 NPHC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NPHC'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 NPHC 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.

The logo for Deloitte LLP, featuring the word "Deloitte" in a cursive script followed by "LLP" in a plain sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
July 28, 2022

March of Dimes Canada Non-Profit Housing Corporation

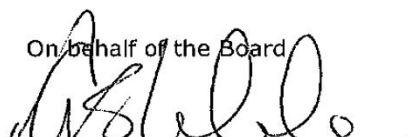
Statement of financial position

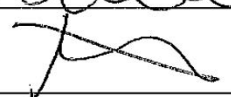
As at March 31, 2022

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash		—	90,744
Restricted cash and investments	3	941,585	834,862
Accounts receivable	8	98,002	212,823
Prepaid expenses		49,492	51,017
		1,089,079	1,189,446
Capital assets	4	12,008,872	12,542,079
		13,097,951	13,731,525
Liabilities			
Current liabilities			
Bank indebtedness		61,401	—
Accounts payable and accrued liabilities	8	219,588	213,959
Amount due to March of Dimes Canada ("MODC")	5b	208,318	349,612
Current portion of mortgage payable	6	357,077	346,977
		846,384	910,548
Long-term mortgage payable	6	2,808,147	3,165,224
Deferred capital contributions	7	8,670,275	8,844,761
		12,324,806	12,920,533
Commitments	9		
Fund balances (deficiency)			
Invested in capital assets		366,525	231,880
Unrestricted funds		(172,697)	(70,359)
Externally restricted fund		20,361	20,361
Internally restricted funds – Halton Region		(43,960)	1,056
Capital reserve funds	2a(i)	602,916	628,054
		773,145	810,992
		13,097,951	13,731,525

The accompanying notes are an integral part of the financial statements.

On behalf of the Board

 _____, Director

 _____, Director

March of Dimes Canada Non-Profit Housing Corporation
Statement of revenue and expenses
Year ended March 31, 2022

	Notes	Jean and Howard Caine Apartments \$	Jason's House \$	Meynell House \$	Standing Oaks \$	Wade Hampton House \$	Bishop Alexander Carter House \$	2022 Total \$	2021 Total \$
Revenue									
Grant subsidy	8	666,221	25,063	—	52,070	—	19,740	763,094	757,306
Rent	5a(ii)	332,323	4,447	—	16,027	81,742	64,271	498,810	577,901
Parking and laundry		26,460	—	—	—	—	—	26,460	23,344
Utilities		—	6,150	—	—	—	—	6,150	6,150
Miscellaneous		34,630	1,759	—	88	23	242	36,742	12,150
Capital contributions related to expenses	7	5,619	1,893	—	36,398	—	15,344	59,254	81,645
Amortization of deferred capital contribution	7	639	—	—	43,343	107,547	146,567	298,096	228,998
		1,065,892	39,312	—	147,926	189,312	246,164	1,688,606	1,687,494
Expenses									
Mortgage interest		95,521	—	—	—	—	—	95,521	105,359
Building materials, services and rent	4	99,857	17,418	751	27,566	41,530	43,507	230,629	302,058
Utilities		121,667	5,987	—	12,313	35,095	41,291	216,353	202,667
Property taxes		118,091	—	—	—	—	—	118,091	116,005
Labour-related		12,018	—	—	—	—	—	12,018	30,318
Other operating		8,337	1,893	—	37,115	—	15,344	62,689	84,662
Property management, administration and audit	5a(i)	220,590	6,112	—	10,405	6,135	4,948	248,190	231,348
Insurance		17,842	423	—	3,818	5,695	7,003	34,781	31,429
Interest		—	—	—	2,221	5,013	—	7,234	7,575
Bad debt expense		5,803	—	—	—	—	—	5,803	3,517
		699,726	31,833	751	93,438	93,468	112,093	1,031,309	1,114,938
Grants designated for capital reserve		41,689	5,400	—	8,760	—	3,360	59,209	59,425
		741,415	37,233	751	102,198	93,468	115,453	1,090,518	1,174,363
Excess of revenue over expenses									
before the undernoted		324,477	2,079	(751)	45,728	95,844	130,711	598,088	513,131
Amortization of capital assets		347,616	275	—	43,343	72,996	146,567	610,797	538,024
(Deficiency) excess of revenue over expenses		(23,139)	1,804	(751)	2,385	22,848	(15,856)	(12,709)	(24,893)

The accompanying notes are an integral part of the financial statements.

March of Dimes Canada Non-Profit Housing Corporation
Statement of changes in fund balances
Year ended March 31, 2022

	Invested in capital assets \$	Unrestricted funds \$	Externally restricted fund (Note 2b) \$	Internally restricted funds- Halton Region \$	Capital reserve			2022 Total \$	2021 Total \$
					Jean and Howard Caine Apartments \$	Bishop Alexander Carter House \$	Pooled Capital Fund \$		
Fund balances, beginning of year	231,880	(70,359)	20,361	1,056	461,379	4,540	162,135	810,992	885,355
(Deficiency) excess of revenue over expenses	(253,447)	240,738	—	—	—	—	—	(12,709)	(24,893)
Contribution from Operations to capital reserve	—	—	—	—	41,689	3,360	14,160	59,209	59,425
Interest on capital reserve investments	—	—	—	—	—	—	—	—	1,627
Unrealized (loss) gain on capital reserve investments	—	—	—	—	(19,970)	(202)	—	(20,172)	8,505
Withdrawals from capital reserve	—	—	—	—	(45,151)	(1,091)	(17,933)	(64,175)	(119,027)
Inter-fund transfers									
Purchase of capital assets	88,081	(88,081)	—	—	—	—	—	—	—
Loss on disposal of capital assets	(10,491)	10,491	—	—	—	—	—	—	—
Deferred capital contributions spent	(59,254)	59,254	—	—	—	—	—	—	—
Amortization of deferred capital contributions related to disposal of capital assets	9,719	(9,719)	—	—	—	—	—	—	—
Mortgage payable	346,977	(346,977)	—	—	—	—	—	—	—
Due to MODC on account of capital loan	13,060	(13,060)	—	—	—	—	—	—	—
Transfer from Internally restricted to Unrestricted	—	23,139	—	(23,139)	—	—	—	—	—
Amount related to accumulated deficit	—	21,877	—	(21,877)	—	—	—	—	—
Fund balances, end of year	366,525	(172,697)	20,361	(43,960)	437,947	6,607	158,362	773,145	810,992

The accompanying notes are an integral part of the financial statements.

March of Dimes Canada Non-Profit Housing Corporation

Statement of cash flows

Year ended March 31, 2022

	2022	2021
	\$	\$
Operating activities		
Deficiency of revenue over expenses	(12,709)	(24,893)
Items not involving cash		
Amortization	610,797	538,024
Loss on disposal of capital assets	10,491	—
Amortization of deferred capital contributions	(298,096)	(228,998)
Amortization of deferred capital contributions related to disposal of capital assets	(9,719)	—
Capital contributions related to expenses	(59,254)	(81,645)
Unrealized (loss) gain on capital reserve investments	(20,172)	8,505
Changes in non-cash operating working capital		
Accounts receivable	114,821	32,069
Prepaid expenses	1,525	(1,856)
Amount due to MODC	(141,294)	(418,385)
Accounts payable and accrued liabilities	5,629	(41,872)
	202,019	(219,051)
Financing activities		
Deferred capital contributions	192,583	426,433
Mortgage principal repayments	(346,977)	(337,162)
	(154,394)	89,271
Investing activities		
Capital reserve contributions	59,209	59,425
Interest on capital reserve	—	1,627
Withdrawals from capital reserve	(64,175)	(119,027)
Purchase of capital assets	(88,081)	(118,517)
	(93,047)	(176,492)
Decrease in cash and restricted cash and investments	(45,422)	(306,272)
Cash and restricted cash and investments, beginning of year	925,606	1,231,878
Cash and restricted cash and investments, end of year	880,184	925,606
Consisting of		
(Bank indebtedness) cash	(61,401)	90,744
Restricted cash and investments	941,585	834,862
	880,184	925,606
Supplemental cash flow information		
Interest received	3,743	2,549
Interest paid	102,755	112,934

The accompanying notes are an integral part of the financial statements.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2022

1. Nature of Organization

Ontario March of Dimes Non-Profit Housing Corporation (the "Corporation") was incorporated without share capital on June 2, 1992. The Corporation was formed to provide and operate housing accommodation, with or without any public space, recreational facilities, and commercial space or buildings appropriate thereto primarily to accommodate persons with physical disabilities. In 2013, the Corporation applied for continuance under the Canada Not-for-profit Corporations Act. The application was approved in May 2013 and the Corporation is now known as March of Dimes Canada Non-Profit Housing Corporation ("NPHC"). NPHC is classified as a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

NPHC owns and operates five properties in the Province of Ontario: Jean and Howard Caine Apartments, located in Oakville; Jason's House, located in Hamilton; Standing Oaks, located in Sarnia; and Wade Hampton House and Bishop Alexander Carter House, located in Sudbury.

For the year ended March 31, 2022, and previous years, NPHC leased and operated an additional property, Meynell House, located in Toronto. Effective April 1, 2021, March of Dimes Canada ("MODC") assumed the management of Meynell House operations with in MODC's Community Support Services program.

2. Summary of significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with the prescribed accounting policies to comply with Section 80(2) of the *Housing Services Act* and guidance in its application issued by the Housing and Residential Services Division of the Regional Municipality of Halton (the "Halton Region"). The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations ("ASNPOs") as follows:

(i) Capital reserve funds

Under the terms of the operating agreement with Halton Region, NPHC is required to establish capital reserve funds for the purpose of funding major asset repairs and replacement. Grant subsidies designated for the Capital reserve funds are initially recorded in the Statement of revenue and expenses and then transferred to the Capital reserve fund. Additions to the capital reserve funds represent grants received from Halton Region for specific capital projects and are recorded directly in the capital reserve funds and not on the Statement of revenue and expenses. Expenses made from capital reserve funds are reported within these funds and not on the Statement of revenue and expenses.

Interest income earned and unrealized gain on capital reserve funds are recorded directly to the capital reserve funds and are not reported on the Statement of revenue and expenses.

The cash and investments of the capital reserve fund for the Jean and Howard Caine Apartments that are funded under the Housing Services Act are restricted and can only be used for capital expenses, as defined in the Halton Region's Guide to the Annual Information Return.

Additional capital reserve funds have been established for the other properties by the Board of Directors. These Pooled capital reserve funds are restricted in that they may only be used for capital expenses, but no specific amounts are designated for individual properties, except for the Bishop Alexander Carter House, located in Sudbury, Ontario, which is contributing to the capital reserve fund separately based on Canada Mortgage and Housing Corporation ("CMHC") requirements.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2022

2. Summary of significant accounting policies (continued)

(a) Basis of presentation (continued)

(ii) Amortization

Amortization on the Jean and Howard Caine Apartments is recognized in an amount equal to the principal repayment on the mortgage (which is financing both the land and the building).

(b) Externally restricted fund

This fund was established during 2016 to account for any future claims related to a special investigation, as instructed by the Halton Region.

(c) Capital assets

Buildings are stated at cost less accumulated amortization.

Amortization on Jason's House, Wade Hampton House, Standing Oaks and Bishop Alexander Carter House building is recognized over a period of 40 years using the straight-line method.

Furniture and equipment are being amortized over a period of 5 to 10 years using the straight-line method.

Leasehold improvements are amortized over the term of the lease.

(d) Revenue recognition

NPHC follows the deferral method of recognizing rental revenue and grant subsidies.

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

Capital contributions are deferred and amortized over the life of the related capital asset. Capital contributions that relate to expenses not capitalized are recognized as revenue when the expense is incurred.

Contributed services are not recognized in the financial statements.

Investment income is recognized on the accrual basis.

(e) Financial instruments

Cash and restricted cash and investments are measured at fair value. Changes in fair value of restricted cash and investments held for capital reserve funds are recorded directly in the capital reserve funds and not on the Statement of revenue and expenses, as described in Note 2 (a)(i). Accounts receivable, accounts payable and accrued liabilities and mortgage payable are measured at amortized cost.

Investments are detailed in Note 3.

It is management's opinion that NPHC is not exposed to significant interest, currency, market or credit risks arising from financial instruments.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2022

2. Summary of significant accounting policies (continued)

(f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the Statement of financial position date and the reported amounts of revenue and expenses during the year. Future actual results may differ from such estimates. Balances which require some degree of estimation include accrued liabilities, amortization of capital assets and deferred capital contributions.

3. Restricted cash and investments

	2022	2021
	\$	\$
Capital reserve funds	602,916	628,054
Tenant deposits	19,050	20,518
Deferred capital contributions, unspent (Note 7)	319,619	186,290
	941,585	834,862

The above balance is comprised of:

	2022	2021
	\$	\$
Restricted cash	495,836	332,757
Restricted investments		
Pooled investments funds		
Social Housing Canadian Short-Term Bond Fund Series	327,694	366,468
Social Housing Canadian Bond Fund Series A	118,055	135,637
Total pool investments funds	445,749	502,105
	941,585	834,862

The pooled investment funds of \$445,749 (\$502,105 in 2021) are held with Worldsource Financial Management Inc., and have a cost of \$485,811 (\$514,894 in 2021).

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2022

4. Capital assets

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Jean Howard Caine Apartments				
Land	1,790,603	—	1,790,603	1,790,603
Building	6,402,615	5,023,226	1,379,389	1,726,366
Furniture and equipment	170,705	169,214	1,491	2,131
Construction in progress	88,081	—	88,081	—
	8,452,004	5,192,440	3,259,564	3,519,100
Jason's House				
Building	26,332	21,002	5,330	5,605
Furniture and equipment	4,818	4,818	—	—
	31,150	25,820	5,330	5,605
Meynell House				
Furniture and equipment	90,262	90,262	—	3,264
Leasehold improvements	35,790	35,790	—	7,230
	126,052	126,052	—	10,494
Standing Oaks				
Building	782,443	355,360	427,083	446,645
Building expansion	944,257	78,215	866,042	889,823
Furniture and equipment	1,071	1,071	—	—
	1,727,771	434,646	1,293,125	1,336,468
Wade Hampton House				
Land	200,631	—	200,631	200,631
Building	2,247,634	599,206	1,648,428	1,704,619
Furniture and equipment	377,948	377,541	407	17,212
	2,826,213	976,747	1,849,466	1,922,462
Bishop Alexander Carter House				
Building	5,820,711	219,324	5,601,387	5,747,950
	18,983,901	6,975,029	12,008,872	12,542,079

As at March 31, 2022, the capital assets related to Meynell House were written-off as MODC assumed the management of the property. The net loss on disposal of \$751 has been included in building materials, services and rent expenses on the Statement of revenue and expenses.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2022

5. March of Dimes Canada

MODC has the mandate to maximize the independence, personal empowerment and community participation of people with physical disabilities. This is accomplished through several programs, including Assistive Devices, Employment Services and Independent Living Services. MODC is a registered charitable organization and, as such, is exempt from income taxes.

MODC controls and provides NPHC with financial and administrative services, including governance support. Additionally, MODC's oversight is provided on property management, tenant relations, direct community and public relations, and coordination of legal, audit and insurance.

(a) Transactions during the year include the following:

- (i) Included in property, management, administration and audit expenses are fees of \$8,736 (\$10,020 in 2021) paid to MODC for services provided in connection with properties other than the Jean and Howard Caine Apartments. MODC is not reimbursed for the value of the services provided for the Jean and Howard Caine Apartments.
- (ii) MODC rents a portion of NPHC premises and pays rent to NPHC. The total charges were \$29,248 (\$39,014 in 2021).

(b) Amount due to MODC consists of the following:

	2022	2021
	\$	\$
In 2018, NPHC signed a promissory note with MODC for a loan in the amount of \$75,000 to support the expansion of the Standing Oaks building in Sarnia. The loan is repayable on demand and bears interest at the prime rate plus 1% per annum, the principal and accrued interest are due no later than March 31, 2023	62,750	65,750
In 2010, NPHC signed a promissory note with MODC for a loan in the amount of \$251,000 to acquire the land and building in Sudbury, Ontario. The loan is repayable on demand and bears interest at the prime rate plus 1% per annum, the loan is payable no later than March 31, 2025	125,902	135,962
Interest payable on the above promissory note.	13,955	13,955
Amounts payable to MODC for miscellaneous expenses	5,711	133,945
	208,318	349,612

6. Mortgage payable

The mortgage payable is secured by the land and building of the Jean and Howard Caine Apartments and is guaranteed by CMHC. The mortgage balance of \$3,165,224 (\$3,512,201 in 2021) is being repaid over a 22-year amortization period, with a 5-year term. The interest rate for the 5-year term ending March 1, 2023 is 2.89% calculated semi-annually. Monthly blended repayments of principal and interest are \$36,944 (\$36,944 in 2021).

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2022

6. Mortgage payable (continued)

Principal repayments until the maturity date of March 1, 2028 are as follows:

	\$
2023	357,077
2024	367,471
2025	378,168
2026	389,176
2027	400,504
Thereafter	1,272,828
	<u>3,165,224</u>

7. Deferred capital contributions

Deferred capital contributions represent contributions received for capital purposes. The changes in the deferred capital contributions balance for the year are as follows:

	2022 \$	2021 \$
Balance, beginning of year	8,844,761	8,728,971
Received during the year	192,583	426,433
	9,037,344	9,155,404
Less amounts amortized to revenue		
Capital contributions related to expenses not capitalized	(59,254)	(81,645)
Amortization of deferred capital contributions	(298,096)	(228,998)
Amortization of deferred capital contributions related to disposal of capital assets	(9,719)	—
Balance, end of year	8,670,275	8,844,761

As at March 31, 2022, \$319,619 of deferred capital contributions have been received but not spent (\$186,290 in 2021). Therefore, the amount of deferred capital contributions spent during the year is \$59,254 (\$200,162 in 2021).

Included in the above \$192,583 (\$426,433 in 2021) is \$nil (\$175,000 in 2021) from the City of Greater Sudbury (the "City"), a receivable of \$nil (\$100,000 in 2021) from the Ontario Ministry of Health, a receivable of \$nil (\$15,000 in 2021) from Greater Sudbury Development Corporation.

Forgivable loan

On August 22, 2017, NPHC entered into a Service Manager Contribution Agreement (the "SMCA") and received a forgivable loan of \$1,750,000 from the City through the Rental Housing Component of the 2016 Social Infrastructure Fund Investment in Affordable Housing in Ontario program. The forgivable loan of \$1,750,000 was recognized as a deferred capital contribution. The loan was used to partially finance the purchase of the Bishop Alexander Carter House located in Sudbury, Ontario.

The terms of the forgivable loan are detailed in the SMCA. The term of the loan is 20 years. The loan is secured by a charge/mortgage of land, assignment of rents, and a security agreement (chattels). Interest is payable on an annual basis to the City calculated at the higher of a) the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five term, plus 2%, or b) the interest rate applicable to the first mortgage registered against title to the property, plus 2%.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2022

7. Deferred capital contributions (continued)

Forgivable loan (continued)

At each anniversary date, the City will forgive 1/20th (5% per year) of the loan until it is fully forgiven. Annual interest is also fully forgivable provided NPHC has fulfilled all of the requirements of the SMCA. During the term of the loan, if NPHC violates any condition in the SMCA, the City has the right to demand repayment of the unforgivable portion of the loan from NPHC.

As at March 31, 2022, the outstanding forgivable loan is \$1,545,833 (2021- \$1,633,333), which is included in deferred capital contributions. The interest forgiven related to the year ended March 31, 2022 has not yet been determined by the City as at the date of this financial statements (2021 - \$116,845).

8. Grant subsidy

During the year, NPHC paid \$14,039 (\$1,048 in 2021) to the Halton Region relating to the prior year grant subsidy and, based on the Annual Information Return, recorded a receivable of \$306 (payable of \$14,039 in 2021) for the current year subsidy adjustment. This amount has been included in accounts receivable (included in accounts payable and accrued liabilities in 2021) on the Statement of financial position.

9. Commitments

NPHC has a contract with a property management firm for property management services that requires payments of \$158,892 (\$174,877 in 2021) per year. This contract includes an additional amount of \$4,158 per month for a live-in Superintendent. The contract is renewable on month by month basis.

NPHC leases land from the Rotary Club of Sarnia Charitable Foundation. The terms of the lease require annual lease payments of \$1, plus taxes. This lease expires on December 31, 2022.

10. Pandemic response

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of NPHC in future periods.

11. Capital Repair Funding – Canada-Ontario Community Housing Initiative ("COCHI")

During the year, NPHC received \$5,200 (from a total funding of \$6,500) to support certain repairs to the Jean and Howard Caine Apartments property. Out of this amount, \$1,300 was received upon the signing of the related funding agreement with the funder (Halton Region). The project was completed by March 31, 2022.

In addition, the COCHI will be supporting an additional capital project for the Jean and Howard Caine Apartments property which will start on April 1, 2022 with an expected completion date of March 31, 2023. NPHC has received \$14,000 towards this capital project on the signing the related letter of agreement.