

Financial Statements of

**MARCH OF DIMES CANADA  
NON-PROFIT HOUSING  
CORPORATION**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of 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 (the Entity), which comprise:

- the statement of financial position as at end of March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of and cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at end of March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of 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.

### ***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 auditor's report.

We are independent of the Entity 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 - Financial Reporting Framework***

We draw attention to Note 2 in the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.

As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

### ***Other Matter - Comparative Information***

The financial statements as at and for the year ended end of March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 25, 2023.

### ***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 financial reporting provisions of 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, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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.



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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 Entity'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 significant doubt on the Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 23, 2024

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

## Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash	\$ –	\$ 81,521
Restricted cash and restricted investments (note 3)	859,682	788,180
Accounts receivable (note 8)	106,712	113,423
Prepaid expenses	54,086	50,480
	<u>1,020,480</u>	<u>1,033,604</u>
Capital assets (note 4)	10,999,976	11,509,183
	<u>\$ 12,020,456</u>	<u>\$ 12,542,787</u>
<b>Liabilities and Fund Balances</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 158,303	\$ 177,261
Amount due to March of Dimes Canada ("MODC") (note 5(b))	121,738	188,554
Current portion of mortgage payable (note 6)	366,269	350,642
	<u>646,310</u>	<u>716,457</u>
Long-term mortgage payable (note 6)	2,091,235	2,457,504
Deferred capital contributions (note 7)	8,328,771	8,448,534
Fund balances:		
Invested in capital assets	376,586	351,919
Unrestricted funds	12,712	25,006
Externally restricted fund	20,361	20,361
Internally restricted funds - Halton Region	(27,325)	(29,717)
Capital reserve funds 2(a)(i))	571,806	552,723
	<u>954,140</u>	<u>920,292</u>
Commitments (note 9)		
	<u>\$ 12,020,456</u>	<u>\$ 12,542,787</u>

See accompanying notes to financial statements.

On behalf of the Board:

 C. B. White  
Director

  
Director

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

## Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

						2024	2023
	Jean and Howard Caine Apartments	Jason's House	Standing Oaks	Wade Hampton House	Bishop Alexander Carter House	Total	Total
<b>Revenue:</b>							
Grant subsidy	\$ 746,561	\$ 26,155	\$ 54,259	\$ –	\$ 18,697	\$ 845,672	\$ 778,003
Rent	353,649	11,660	22,689	104,483	85,295	577,776	512,946
Parking and laundry	–	–	–	–	–	–	27,701
Utility	–	–	–	–	–	–	6,150
Miscellaneous	53,891	8,245	7,515	1,520	1,519	72,690	181,202
Capital contributions related to expenses not capitalized (note 7)	(3,955)	14,132	317	–	8,004	18,498	124,385
Amortization of deferred capital contributions (note 7)	23,885	–	43,999	56,196	147,404	271,484	304,250
	1,174,031	60,192	128,779	162,199	260,919	1,786,120	1,934,637
<b>Expenses:</b>							
Mortgage interest	114,453	–	–	–	–	114,453	85,397
Building materials, services and rent	195,372	38,095	34,070	64,921	59,521	391,979	238,705
Utilities	141,514	6,335	13,008	38,532	44,327	243,716	237,526
Property taxes	126,658	–	–	–	–	126,658	119,987
Labour related	13,528	–	–	–	–	13,528	11,792
Other operating	859	–	1,096	–	–	1,955	107,631
Property management, administration and audit	135,618	5,951	10,921	5,376	5,038	162,904	220,148
Insurance	20,849	494	4,461	6,654	8,183	40,641	37,675
Interest	18	–	4,496	9,639	–	14,153	6,783
	748,869	50,875	68,052	125,122	117,069	1,109,987	1,065,644
Grant subsidies designated for capital reserve	46,600	5,400	8,760	–	3,453	64,213	60,786
	795,469	56,275	76,812	125,122	120,522	1,174,200	1,126,430
Excess of revenue over expenses before the undernoted	378,562	3,917	51,967	37,077	140,397	611,920	808,207
Amortization of capital assets	376,170	274	43,999	56,316	147,405	624,164	610,867
Excess (deficiency) of revenue over expenses	\$ 2,392	\$ 3,643	\$ 7,968	\$ (19,239)	\$ (7,008)	\$ (12,244)	\$ 197,340

See accompanying notes to financial statements.

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

## Statement of Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

									2024	2023
	Invested in capital assets	Unrestricted funds (note 2(b))	Externally restricted fund	Internally restricted funds - Halton Region	Capital reserve			Total	Total	
					Jean and Howard Caine Apartments	Bishop Alexander Carter House	Pooled capital fund			
Fund balances, beginning of year	\$ 351,919	\$ 25,006	\$ 20,361	\$ (29,717)	\$ 410,987	\$ 8,197	\$ 133,539	\$ 920,292	\$ 773,145	
Excess (deficiency) of revenue over expenses	(352,680)	340,436	–	–	–	–	–	(12,244)	197,340	
Contribution from operations to capital reserve	–	–	–	–	46,600	3,453	14,160	64,213	60,786	
Unrealized gain (loss) on capital reserve investments	–	–	–	–	12,144	215	–	12,359	(3,798)	
Withdrawals from capital reserve	–	–	–	–	(17,970)	–	(12,510)	(30,480)	(107,181)	
Inter-fund transfers:										
Purchase of capital assets	114,956	(87,947)	–	–	(27,009)	–	–	–	–	
Deferred capital contributions spent	(100,223)	100,223	–	–	–	–	–	–	–	
Mortgage payable	350,642	(350,642)	–	–	–	–	–	–	–	
Due to MODC on account of capital loan	11,972	(11,972)	–	–	–	–	–	–	–	
Transfer from Unrestricted to Internally restricted	–	(2,392)	–	2,392	–	–	–	–	–	
<b>Fund balances, end of year</b>	<b>\$ 376,586</b>	<b>\$ 12,712</b>	<b>\$ 20,361</b>	<b>\$ (27,325)</b>	<b>\$ 424,752</b>	<b>\$ 11,865</b>	<b>\$ 135,189</b>	<b>\$ 954,140</b>	<b>\$ 920,292</b>	

See accompanying notes to financial statements.

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Operating activities:		
Excess of revenue over expenses	\$ (12,244)	\$ 197,340
Items not involving cash:		
Amortization	624,164	610,867
Amortization of deferred capital contributions	(271,484)	(304,250)
Capital contributions related to expenses not capitalized	(18,498)	(124,385)
Unrealized loss on capital reserve investments	12,359	(3,798)
Change in non-cash operating working capital:		
Accounts receivable	6,711	(15,421)
Prepaid expenses	(3,606)	(988)
Amount due to MODC	(66,816)	(19,764)
Accounts payable and accrued liabilities	(18,959)	(42,327)
	<u>251,627</u>	<u>297,274</u>
Financing activities:		
Deferred capital contributions	170,219	206,894
Mortgage principal; repayments	(350,642)	(357,078)
	<u>(180,423)</u>	<u>(150,184)</u>
Investing activities:		
Capital reserve contributions	64,213	60,786
Withdrawals from capital reserve	(30,480)	(107,181)
Purchase of capital assets	(114,956)	(111,178)
	<u>(81,223)</u>	<u>(157,573)</u>
Decrease in cash and restricted cash and investments	(10,019)	(10,483)
Cash and restricted cash and restricted investments, beginning of year	869,701	880,184
Cash and restricted cash and restricted investments, end of year	<u>\$ 859,682</u>	<u>\$ 869,701</u>
Consisting of:		
Cash	\$ —	\$ 81,521
Restricted cash and restricted investments	859,682	788,180
	<u>\$ 859,682</u>	<u>\$ 869,701</u>
Supplemental cash flow information:		
Interest received	\$ 23,747	\$ 17,483
Interest paid	128,606	92,180

See accompanying notes to financial statements.



# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements

Year ended March 31, 2024

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## 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.

## 2. 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 operations 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 operations. Expenses made from capital reserve funds are reported within these funds and not in the statement of operations.

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

Interest income earned and unrealized losses and gains 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.

### (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.

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

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

### (d) Revenue recognition:

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

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.

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, due to MODC, 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 Financial Statements (continued)

Year ended March 31, 2024

## 2. 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 investments, accrued liabilities, amortization of capital assets and deferred capital contributions.

## 3. Restricted cash and restricted investments:

	2024	2023
Capital reserve funds	\$ 571,806	\$ 552,723
Tenant deposits (included in accounts payable)	23,648	22,634
Deferred capital contributions, unspent (note 7)	282,819	212,823
<b>Restricted obligations</b>	<b>\$ 878,273</b>	<b>\$ 788,180</b>

The following balances comprise restricted assets related to the above obligations:

	2024	2023
Restricted cash	\$ 405,474	\$ 346,332
Restricted investments:		
Pooled investments funds:		
Social Housing Canadian Short-Term Bond Fund Series	337,721	327,407
Social Housing Canadian Bond Fund Series A	116,487	114,441
	454,208	441,848
<b>Total funds available</b>	<b>\$ 859,682</b>	<b>\$ 788,180</b>
Deficiency of funds to meet restricted reserve requirements	\$ (18,591)	\$ –

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

### 3. Restricted cash and restricted investments (continued):

Total restricted cash and investments held as at March 31, 2024 of \$859,682 are insufficient to meet the restricted reserve requirements, creating a deficiency of \$18,591.

### 4. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Jean Howard Caine Apartments:				
Land	\$ 1,790,603	\$ –	\$ 1,790,603	\$ 1,790,603
Building	6,476,387	5,733,676	742,711	1,022,312
Furniture and equipment	398,185	197,275	200,910	194,463
	8,665,175	5,930,951	2,734,224	3,007,378
Jason's House:				
Building	26,332	21,551	4,781	5,055
Furniture and equipment	3,811	3,811	–	–
	30,143	25,362	4,781	5,055
Standing Oaks:				
Building	782,443	394,482	387,961	407,522
Building expansion (note 9)	944,257	125,778	818,479	842,260
Furniture and equipment	13,011	1,727	11,284	–
	1,739,711	521,987	1,217,724	1,249,782
Wade Hampton House:				
Land	200,631	–	200,631	200,631
Building	2,247,634	711,594	1,536,040	1,592,236
Furniture and equipment	377,948	377,948	–	120
	2,826,213	1,089,542	1,736,671	1,792,987
Bishop Alexander Carter House:				
Building	5,820,714	514,138	5,306,576	5,453,981
	\$ 19,081,956	\$ 8,081,980	\$ 10,999,976	\$ 11,509,183

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 5. March of Dimes Canada:

MODC is a national registered charity committed to championing equity, empowering ability, and creating real change that will help the more than eight million people living with disabilities across the country unlock the richness of their lives. MODC is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

MODC appoints all members of the Board of Directors of NPHC and, as such, exercises control over NPHC. MODC 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) Related party transaction during the year include the following:

- (i) Included in property management, administration and audit expenses are fees of \$8,736 (2023 - \$8,736) 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 \$83,917 (2023 - \$29,590).

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 5. March of Dimes Canada (continued):

(b) Related party amounts due to MODC consists of the following:

	2024	2023
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, 2034	\$ 57,000	\$ 59,750
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 principal and accrued interest are due no later than March 31, 2034	106,621	115,843
Interest payable on the above promissory note	13,955	13,955
Rent receivable	(53,600)	-
Amounts receivable to MODC for miscellaneous expenses	(2,238)	(994)
	<u>\$ 121,738</u>	<u>\$ 188,554</u>

## 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 \$2,457,504 (2023 - \$2,808,146) is being repaid over a 22-year amortization period, with a 5-year term. The interest rate for the five-year term ending March 1, 2028 is 4.41% calculated semi-annually. Monthly blended repayments of principal and interest are \$38,862 (2023 - \$38,862).

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 6. Mortgage payable (continued):

Principal repayments until the maturity date are as follows:

2025	\$	366,269
2026		382,592
2027		399,643
2028		417,453
Thereafter		891,547
		<u>\$ 2,457,504</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:

	2024	2023
Balance, beginning of year	\$ 8,448,534	\$ 8,670,275
Received during the year	170,219	206,894
	<u>8,618,753</u>	<u>8,877,169</u>
Less amounts amortized to revenue:		
Capital contributions related to expenses not capitalized	18,498	124,385
Amortization of deferred capital contributions	271,484	304,250
	<u>289,982</u>	<u>428,635</u>
Balance, end of year	<u>\$ 8,328,771</u>	<u>\$ 8,448,534</u>

As at March 31, 2024, \$282,819 of deferred capital contributions have been received but not spent (2023 - \$212,823). Therefore, the amount of deferred capital contributions spent during the year is \$101,365 (2023 - \$313,690).



# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 7. Deferred capital contributions (continued)

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 of Greater Sudbury 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%.

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, 2024, the outstanding forgivable loan is \$1,370,833 (2023 - \$1,458,333), which is included in deferred capital contributions. The interest forgiven related to the year ended March 31, 2024 is \$128,042 (2023 - \$124,440).

## 8. Grant subsidy:

During the year, NPHC paid nil (2023 - \$5,994) to the Halton Region relating to the prior year grant subsidy and, based on the Annual Information Return, recorded a payable of \$2,860 (payable of \$15,772 in 2023) for the current year subsidy adjustment. This amount has been included in accounts payable and accrued liabilities on the statement of financial position (included in accounts receivable in 2023).

# MARCH OF DIMES CANADA NON-PROFIT HOUSING CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## **9. Commitments:**

NPHC has a contract with a property management firm for property management services that requires payments of \$164,350 (2023 - \$158,892) 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.