

Financial statements of

**March of Dimes Canada  
Non-Profit Housing Corporation**

March 31, 2017

# March of Dimes Canada Non-Profit Housing Corporation

March 31, 2017

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of March of Dimes Canada Non-Profit Housing Corporation ("NPHC"), which comprise the statement of financial position as at March 31, 2017, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of NPHC in accordance with the basis of accounting described in Note 2.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting described in Note 2, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of NPHC as at March 31, 2017 and its results of operations and its cash flows for the year then ended, in accordance with the basis of accounting described in Note 2.

**Basis of Accounting and Restriction on Use and Distribution**

Without modifying our opinion, 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 report is intended solely for NPHC and the Regional Municipality of Halton and should not be distributed to or used by parties other than NPHC or the Regional Municipality of Halton.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
July 26, 2017

# March of Dimes Canada Non-Profit Housing Corporation

Statement of financial position  
as at March 31, 2017

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
|  |                  | (Note 10)        |
| <b>Assets</b>  |                  |                  |
| Current assets   |                  |                  |
| Cash   | 204,551          | 109,254          |
| Restricted cash and investments (Note 3)                 | 801,843          | 763,805          |
| Accounts receivable (Note 8)                             | 166,986          | 96,974           |
| Amount due from March of Dimes Canada ("MODC") (Note 5b) | -                | 240,171          |
| Prepaid expenses   | 44,622           | 35,251           |
|  | <b>1,218,002</b> | <b>1,245,455</b> |
| Capital assets (Note 4)                                  | <b>7,603,120</b> | <b>7,982,487</b> |
|  | <b>8,821,122</b> | <b>9,227,942</b> |
| <b>Liabilities</b>                                       |                  |                  |
| Current liabilities                                      |                  |                  |
| Accounts payable and accrued liabilities                 | 142,827          | 506,076          |
| Amount due to MODC (Note 5b)                             | 305,813          | -                |
| Current portion of mortgage payable (Note 6)             | 273,686          | 261,295          |
|  | <b>722,326</b>   | <b>767,371</b>   |
| Long-term mortgage payable (Note 6)                      | <b>4,495,347</b> | <b>4,769,033</b> |
| Deferred capital contributions (Note 7)                  | <b>2,754,764</b> | <b>2,778,985</b> |
|  | <b>7,972,437</b> | <b>8,315,389</b> |
| Commitments (Note 9)                                     |                  |                  |
| <b>Fund balances</b>                                     |                  |                  |
| Invested in capital assets                               | 75,113           | 42,316           |
| Unrestricted funds                                       | 155,712          | 171,627          |
| Externally restricted fund                               | 21,047           | 22,092           |
| Capital reserve  | 596,813          | 676,518          |
|  | <b>848,685</b>   | <b>912,553</b>   |
|  | <b>8,821,122</b> | <b>9,227,942</b> |

On behalf of the Board

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

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

# March of Dimes Canada Non-Profit Housing Corporation

Statement of revenue and expenses  
year ended March 31, 2017

|  | Jean and                   |                  |                  |                  | Wade             |         | Externally |           | 2017      | 2016 |
|--|----------------------------|------------------|------------------|------------------|------------------|---------|------------|-----------|-----------|------|
|  | Howard Caine<br>Apartments | Jason's<br>House | Meynell<br>House | Standing<br>Oaks | Hampton<br>House | Fund    | Total      | Total     | Total     |      |
| Revenue  | \$                         | \$               | \$               | \$               | \$               | \$      | \$         | \$        | \$        |      |
| Grant subsidy  | 734,045                    | 28,155           | -                | 25,132           | -                | -       | -          | 787,332   | 718,354   |      |
| MODC subsidy   | 13,658                     | -                | -                | 13,032           | 7,171            | -       | -          | 33,861    | 34,806    |      |
| Rent (Note 5 (a ii))   | 304,302                    | 4,421            | 68,093           | 9,041            | 79,829           | -       | -          | 465,686   | 482,825   |      |
| Parking and laundry  | 21,852                     | -                | -                | -                | -                | -       | -          | 21,852    | 25,791    |      |
| Utilities  | -                          | 6,150            | -                | -                | -                | -       | -          | 6,150     | 6,150     |      |
| Miscellaneous  | 15,899                     | 1,133            | 136              | 4,785            | 474              | 669     | -          | 23,096    | 7,210     |      |
| Capital contributions related to expenses                          | 35,020                     | 6,421            | 14,179           | 15,604           | 5,236            | -       | -          | 76,460    | 106,930   |      |
| Amortization of deferred capital contributions (Note 7)            | 3,114                      | 718              | 11,012           | 19,561           | 107,547          | -       | -          | 141,952   | 144,602   |      |
|  | 1,127,890                  | 46,998           | 93,420           | 87,155           | 200,257          | 669     | -          | 1,556,389 | 1,526,668 |      |
| Expenses   |                            |                  |                  |                  |                  |         |            |           |           |      |
| Mortgage interest  | 226,988                    | -                | -                | -                | -                | -       | -          | 226,988   | 239,046   |      |
| Building materials, services and rent                              | 99,359                     | 6,051            | 58,840           | 18,289           | 45,439           | -       | -          | 227,978   | 226,822   |      |
| Special investigation (Note 2c)                                    | -                          | -                | -                | -                | -                | 1,714   | -          | 1,714     | 14,420    |      |
| Refund to Halton Region (Note 2c)                                  | -                          | -                | -                | -                | -                | -       | -          | -         | 380,000   |      |
| Utilities  | 127,610                    | 6,232            | -                | 10,301           | 32,883           | -       | -          | 177,026   | 149,899   |      |
| Property taxes   | 119,145                    | -                | -                | -                | -                | -       | -          | 119,145   | 112,660   |      |
| Labour-related   | 41,190                     | -                | -                | -                | -                | -       | -          | 41,190    | 54,239    |      |
| Other operating  | 36,493                     | 6,422            | 14,180           | 15,791           | 5,233            | -       | -          | 78,119    | 56,922    |      |
| Property management, administration and audit (Note 5 (a i))       | 115,736                    | 5,178            | 6,694            | 7,473            | 6,092            | -       | -          | 141,173   | 114,770   |      |
| Insurance  | 57,273                     | 2,013            | -                | 6,980            | 14,562           | -       | -          | 80,828    | 87,170    |      |
| Interest   | -                          | -                | -                | -                | 7,082            | -       | -          | 7,082     | 7,608     |      |
| Bad debt   | 626                        | -                | -                | -                | -                | -       | -          | 626       | 617       |      |
| Grants designated for capital reserve                              | 824,420                    | 25,896           | 79,714           | 58,834           | 111,291          | 1,714   | -          | 1,101,869 | 1,444,173 |      |
|  | 38,720                     | 5,400            | -                | 8,760            | -                | -       | -          | 52,880    | 52,516    |      |
|  | 863,140                    | 31,296           | 79,714           | 67,594           | 111,291          | 1,714   | -          | 1,154,749 | 1,496,689 |      |
| Excess (deficiency) of revenue over expenses before the undormoted | 264,750                    | 15,702           | 13,706           | 19,561           | 88,966           | (1,045) | -          | 401,640   | 29,979    |      |
| Amortization   | 264,750                    | 1,362            | 11,164           | 19,561           | 88,966           | -       | -          | 385,803   | 397,075   |      |
| <b>Excess (deficiency) of revenue over expenses</b>                | -                          | 14,340           | 2,542            | -                | -                | (1,045) | -          | 15,837    | (367,096) |      |

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

# March of Dimes Canada Non-Profit Housing Corporation

Statement of changes in fund balances  
year ended March 31, 2017

|   | 2017                                 |                              | 2016                                 |                                  |                     |                |                |
|---|--------------------------------------|------------------------------|--------------------------------------|----------------------------------|---------------------|----------------|----------------|
|   | Invested in capital assets (Note 10) | Unrestricted funds (Note 10) | Externally restricted fund (Note 2c) | Jean and Howard Caine Apartments | Pooled Capital Fund | Total          | Total          |
|   | \$                                   | \$                           | \$                                   | \$                               | \$                  | \$             | \$             |
| <b>Fund balances, beginning of year (Note 10)</b> | 42,316                               | 171,627                      | 22,092                               | 511,332                          | 165,186             | 912,553        | 1,254,094      |
| (Deficiency) excess of revenue over expenses      | (168,535)                            | 185,417                      | (1,045)                              | -                                | -                   | 15,837         | (367,096)      |
| Grants designated for capital reserve             | -                                    | -                            | -                                    | 38,720                           | 14,160              | 52,880         | 52,516         |
| Interest on capital reserve investments           | -                                    | -                            | -                                    | -                                | 1,371               | 1,371          | 1,308          |
| Unrealized gain on capital reserve investments    | -                                    | -                            | -                                    | 3,535                            | -                   | 3,535          | 2,749          |
| Withdrawals from capital reserve                  | -                                    | -                            | -                                    | (126,920)                        | (10,571)            | (137,491)      | (31,018)       |
| Inter-fund transfers                              |                                      |                              |                                      |                                  |                     |                |                |
| Purchase of capital assets                        | 6,436                                | (6,436)                      | -                                    | -                                | -                   | -              | -              |
| Deferred capital contributions                    | (76,459)                             | 76,459                       | -                                    | -                                | -                   | -              | -              |
| Mortgage payable                                  | 261,295                              | (261,295)                    | -                                    | -                                | -                   | -              | -              |
| Due to MODC on account of capital loan            | 10,060                               | (10,060)                     | -                                    | -                                | -                   | -              | -              |
| <b>Fund balances, end of year</b>                 | <b>75,113</b>                        | <b>155,712</b>               | <b>21,047</b>                        | <b>426,667</b>                   | <b>170,146</b>      | <b>848,685</b> | <b>912,553</b> |

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

# March of Dimes Canada Non-Profit Housing Corporation

Statement of cash flows  
year ended March 31, 2017

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Operating activities</b>                                  |                  |                  |
| Excess (deficiency) of revenue over expenses                 | 15,837           | (367,096)        |
| Items not involving cash                                     |                  |                  |
| Amortization   | 385,803          | 397,075          |
| Amortization of deferred capital contributions               | (217,267)        | (251,532)        |
| Unrealized gain on capital reserve investments               | 3,535            | 2,749            |
| Changes in non-cash operating working capital                |                  |                  |
| Accounts receivable  | (70,012)         | 654,103          |
| Amount due from MODC   | 240,171          | (240,171)        |
| Prepaid expenses   | (9,371)          | 4,056            |
| Amount due to MODC   | 305,813          | (255,344)        |
| Accounts payable and accrued liabilities                     | (363,249)        | 294,936          |
|  | <b>291,260</b>   | <b>238,776</b>   |
| <b>Financing activities</b>                                  |                  |                  |
| Deferred capital contributions                               | 193,046          | 112,142          |
| Mortgage principal repayments                                | (261,295)        | (249,466)        |
|  | <b>(68,249)</b>  | <b>(137,324)</b> |
| <b>Investing activities</b>                                  |                  |                  |
| Capital reserve contributions                                | 52,880           | 52,516           |
| Interest on capital reserve                                  | 1,371            | 1,308            |
| Withdrawals from capital reserve                             | (137,491)        | (31,018)         |
| Purchase of capital assets                                   | (6,436)          | (7,698)          |
|  | <b>(89,676)</b>  | <b>15,108</b>    |
| Increase in cash and restricted cash and investments         | 133,335          | 116,560          |
| Cash and restricted cash and investments, beginning of year  | 873,059          | 756,499          |
| <b>Cash and restricted cash and investments, end of year</b> | <b>1,006,394</b> | <b>873,059</b>   |
| <b>Consisting of</b>   |                  |                  |
| Cash   | 204,551          | 109,254          |
| Restricted cash and investments                              | 801,843          | 763,805          |
|  | <b>1,006,394</b> | <b>873,059</b>   |
| <b>Supplemental cash flow information</b>                    |                  |                  |
| Interest received  | 3,581            | 4,640            |
| Interest paid  | 234,070          | 246,654          |

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



# March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2017

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## 1. Nature of Organization

Ontario March of Dimes Non-Profit Housing Corporation ("NPHC") was incorporated without share capital on June 2, 1992. NPHC 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, NPHC 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 is classified as a registered charity under the Income Tax Act (Canada) and, as such, is not subject to income taxes.

NPHC owns and operates four 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, located in Sudbury. NPHC also leases and operates an additional property, Meynell House, located in Toronto, Ontario.

## 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 funds are restricted in that they may only be used for capital expenses, but no specific amounts are designated for individual properties.

#### (ii) Amortization

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

# March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2017

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## 2. Summary of significant accounting policies (continued)

### (b) General fund

This fund accounted for funds that were segregated pending finalization of a project plan. This project plan was finalized during 2016 and hence, the total balance of the General fund was transferred to the Externally restricted fund and to the Capital reserve fund during 2016.

### (c) 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.

During the year, \$1,714 (2016 - \$14,420) was spent on claims related to the special investigation, \$669 (2016 - \$943) was interest earned and \$Nil (2016 - \$380,000) was refunded to Halton Region.

### (d) Capital assets

Buildings and building additions are stated at cost less accumulated amortization.

Amortization on Jason's House, Wade Hampton House and Standing Oaks is charged 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.

### (e) Revenue recognition

NPHC follows the accrual 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 amortized over the life of the related capital asset. Capital contributions that relate to expenses not capitalized are recognized as revenue when the expenditure is made.

Contributed services are not recognized in the financial statements.

Investment income is recognized on the accrual basis.

### (f) 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 described 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, 2017

## 2. Summary of significant accounting policies (continued)

### (g) 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 amortization of capital assets and deferred capital contributions.

## 3. Restricted cash and investments

|   | 2017           | 2016           |
|---|----------------|----------------|
|   | \$             | \$             |
| Capital reserve funds                           | 596,813        | 676,518        |
| Tenant deposits                                 | 19,082         | 17,927         |
| Unspent deferred capital contributions (Note 7) | 185,948        | 69,360         |
|   | <b>801,843</b> | <b>763,805</b> |

The above balance is comprised of:

|   | 2017           | 2016           |
|---|----------------|----------------|
|   | \$             | \$             |
| Restricted cash                                       | 236,518        | 203,387        |
| Restricted investments                                |                |                |
| Term deposits   | 142,258        | 140,886        |
| Pooled funds  |                |                |
| Social Housing Canadian Short-Term Bond Fund Series A | 311,208        | 308,762        |
| Social Housing Canadian Bond Fund Series A            | 111,859        | 110,770        |
|   | <b>801,843</b> | <b>763,805</b> |

The term deposits mature between May 9, 2017 and September 18, 2017 (2016 – between May 11, 2016 and September 21, 2016) and bear interest from 0.95% to 1.00% (2016 - from 0.90% to 0.95%).

The pooled funds are held with Phillips, Hager and North Investment Funds Ltd.

# March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2017

## 4. Capital assets

|   |                   |                             | 2017              | 2016              |
|---|-------------------|-----------------------------|-------------------|-------------------|
|   | Cost              | Accumulated<br>amortization | Net book<br>value | Net book<br>value |
|   | \$                | \$                          | \$                | \$                |
| <b>Jean and Howard Caine Apartments</b> |                   |                             |                   |                   |
| Land                                    | 1,790,603         | -                           | 1,790,603         | 1,790,603         |
| Building                                | 6,402,615         | 3,419,417                   | 2,983,198         | 3,244,493         |
| Furniture and equipment                 | 170,705           | 158,350                     | 12,355            | 15,754            |
|   | <b>8,363,923</b>  | <b>3,577,767</b>            | <b>4,786,156</b>  | <b>5,050,850</b>  |
| <b>Jason's House</b>                    |                   |                             |                   |                   |
| Building                                | 26,332            | 17,114                      | 9,218             | 10,210            |
| Furniture and equipment                 | 4,818             | 4,818                       | -                 | 370               |
|   | <b>31,150</b>     | <b>21,932</b>               | <b>9,218</b>      | <b>10,580</b>     |
| <b>Standing Oaks</b>                    |                   |                             |                   |                   |
| Building                                | 782,443           | 257,554                     | 524,889           | 544,450           |
| Work in progress                        | 5,292             | -                           | 5,292             | -                 |
| Furniture and equipment                 | 1,071             | 1,071                       | -                 | -                 |
|   | <b>788,806</b>    | <b>258,625</b>              | <b>530,181</b>    | <b>544,450</b>    |
| <b>Meynell House</b>                    |                   |                             |                   |                   |
| Furniture and equipment                 | 35,790            | 16,416                      | 19,374            | 26,920            |
| Leasehold improvements                  | 90,241            | 70,215                      | 20,026            | 22,558            |
|   | <b>126,031</b>    | <b>86,631</b>               | <b>39,400</b>     | <b>49,478</b>     |
| <b>Wade Hampton House</b>               |                   |                             |                   |                   |
| Land                                    | 200,631           | -                           | 200,631           | 200,631           |
| Building                                | 2,247,634         | 318,248                     | 1,929,386         | 1,985,576         |
| Furniture and equipment                 | 377,949           | 269,801                     | 108,148           | 140,922           |
|   | <b>2,826,214</b>  | <b>588,049</b>              | <b>2,238,165</b>  | <b>2,327,129</b>  |
|   | <b>12,136,124</b> | <b>4,533,004</b>            | <b>7,603,120</b>  | <b>7,982,487</b>  |

## 5. March of Dimes Canada ("MODC")

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.

# March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2017

## 5. March of Dimes Canada ("MODC") (continued)

(a) Transactions during the year include the following:

- (i) Included in administrative and professional services expense are fees of \$7,704 (2016 - \$7,704) 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. This amount is not reflective of actual costs of administrative and professional services provided by MODC to NPHC.
- (ii) MODC rents a portion of NPHC premises and pays rent to NPHC. The total charges were \$31,209 (2016 - \$30,355).
- (iii) During the year, NPHC's Board of directors approved a contribution of \$Nil (2016 - \$41,270) to MODC to be applied to the Sudbury capital campaign.

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

|  | 2017             | 2016           |
|--|------------------|----------------|
|  | \$               | \$             |
| During 2016, NPHC transferred excess operating cash of \$500,000 to MODC for the purpose of short-term investment, earning interest of \$943   | -                | 500,943        |
| In 2010, NPHC signed a promissory note with MODC for a loan in the amount of \$251,000 to acquire land and building in Sudbury, Ontario. The loan is repayable on demand and bears interest at prime plus 1% | (176,202)        | (186,262)      |
| Interest payable on the promissory note  | (13,955)         | (13,955)       |
| Amounts payable to MODC for expenses paid on behalf of NPHC  | (115,656)        | (60,555)       |
| <b>Amount due (to) from MODC</b>   | <b>(305,813)</b> | <b>240,171</b> |

## 6. Mortgage payable

The mortgage payable is secured by the Oakville land and building and is guaranteed by Canada Mortgage and Housing Corporation. The mortgage balance of \$4,769,033 (2016 - \$5,030,328) is being repaid over a 22-year amortization period in 10-year terms. The rate for the 10-year term ending March 1, 2018 is 4.6872%. Monthly blended repayments of principal and interest are \$40,775.

Principal repayments until the maturity date of March 1, 2030 are as follows:

|            | \$               |
|------------|------------------|
| 2018       | 273,686          |
| 2019       | 286,665          |
| 2020       | 286,665          |
| 2021       | 286,665          |
| 2022       | 286,665          |
| Thereafter | 3,348,687        |
|            | <b>4,769,033</b> |

# March of Dimes Canada Non-Profit Housing Corporation

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## 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:

|                                    | 2017      | 2016      |
|------------------------------------|-----------|-----------|
|                                    | \$        | \$        |
| Balance, beginning of year         | 2,778,985 | 2,918,375 |
| Contributed                        | 193,046   | 112,142   |
|                                    | 2,972,031 | 3,030,517 |
| Less: amounts amortized to revenue | 217,267   | 251,532   |
| Balance, end of year               | 2,754,764 | 2,778,985 |

As at March 31, 2017, there was \$185,948 (2016 - \$69,630) of deferred capital contributions which have been received but not spent.

## 8. Grant subsidy

During 2017, pursuant to instructions received from Halton Region, NPHC repaid \$9,553 (2016 - \$Nil) to the Halton Region relating to prior year grant subsidy deficit and accrued an amount receivable of \$63,831 (2016 - \$9,553) for the current year subsidy adjustment.

## 9. Commitments

NPHC has a commitment with a property management firm for property management and financial services which totals \$117,181 per year up to July 5, 2018.

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

NPHC has commitments for leased premises for Meynell House. The approximate future minimum annual lease payments are as follows:

|            | \$      |
|------------|---------|
| 2018       | 55,500  |
| 2019       | 55,500  |
| 2020       | 55,500  |
| 2021       | 55,500  |
| 2022       | 55,500  |
| Thereafter | 55,500  |
|            | 333,000 |

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## 10. Comparative amounts

The following prior year comparative amounts have been reclassified to conform to the current year's financial statement presentation:

|   | As amended     | As previously<br>reported |
|---|----------------|---------------------------|
|   | \$             | \$                        |
| Statement of financial position         |                |                           |
| Invested in capital assets fund balance | 42,316         | 32,258                    |
| Unrestricted fund balance               | 171,627        | 181,685                   |
|   | <u>213,943</u> | <u>213,943</u>            |

The Statement of changes in fund balance was amended accordingly.