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

March 31, 2018

| | |
|---|------|
| Independent Auditor’s Report | 1–2 |
| Statement of financial position | 3 |
| Statement of revenue and expenses | 4 |
| Statement of changes in fund balances | 5 |
| Statement of cash flows | 6 |
| Notes to the financial statements | 7–13 |

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, 2018, 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, 2018 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 27, 2018

March of Dimes Canada Non-Profit Housing Corporation

Statement of financial position

As at March 31, 2018

| | Notes | 2018 | 2017 |
|--|-------|------------------|-----------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash | | 274,099 | 204,551 |
| Restricted cash and investments | 3 | 992,918 | 801,843 |
| Accounts receivable | 8 | 142,006 | 166,986 |
| Prepaid expenses | | 39,684 | 44,622 |
| | | 1,448,707 | 1,218,002 |
| Capital assets | 4 | 7,950,833 | 7,603,120 |
| | | 9,399,540 | 8,821,122 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 8 | 340,891 | 142,827 |
| Amount due to March of Dimes Canada ("MODC") | 5b | 285,350 | 305,813 |
| Current portion of mortgage payable | 6 | 318,359 | 273,686 |
| | | 944,600 | 722,326 |
| Long-term mortgage payable | 6 | 4,176,989 | 4,495,347 |
| Deferred capital contributions | 7 | 3,377,130 | 2,754,764 |
| | | 8,498,719 | 7,972,437 |
| Commitments | 10 | | |
| Fund balances | | | |
| Invested in capital assets | | 168,199 | 75,113 |
| Unrestricted funds | | — | 155,712 |
| Externally restricted fund | | 20,361 | 21,047 |
| Internally restricted funds - Halton Region | | 7,411 | — |
| Capital reserve | | 704,850 | 596,813 |
| | | 900,821 | 848,685 |
| | | 9,399,540 | 8,821,122 |

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

On behalf of the Board

_____ Director

_____ Director

March of Dimes Canada Non-Profit Housing Corporation

Statement of revenue and expenses

Year ended March 31, 2018

| | | | | | | | | 2018 | 2017 |
|--|--------|--|------------------|------------------|--------------------------|------------------|----------------------------------|------------------|------------------|
| | | Jean and Howard Caine Apartments | Jason's House | Meynell House | Wade Standing Oaks | Hampton House | Externally restricted Fund | Total | Total |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | | | | | | | | | |
| | 8 | 714,157 | 23,403 | — | 25,653 | — | — | 763,213 | 787,332 |
| | | — | — | — | — | — | — | — | 33,861 |
| | 5a(ii) | 306,884 | 4,256 | 67,812 | 9,046 | 80,399 | — | 468,397 | 465,686 |
| | | 22,298 | — | — | — | — | — | 22,298 | 21,852 |
| | | — | 5,894 | — | — | — | — | 5,894 | 6,150 |
| | | 11,374 | 1,247 | 394 | 7,261 | 542 | — | 20,818 | 23,096 |
| | 7 | 17,668 | — | 849 | 4,553 | 2,132 | — | 25,202 | 76,460 |
| | 7 | 3,114 | 718 | 10,683 | 19,561 | 107,547 | — | 141,623 | 141,952 |
| | | 1,075,495 | 35,518 | 79,738 | 66,074 | 190,620 | — | 1,447,445 | 1,556,389 |
| Expenses | | | | | | | | | |
| | | 207,921 | — | — | — | — | — | 207,921 | 226,988 |
| | | 110,320 | 9,570 | 62,146 | 18,314 | 34,774 | — | 235,124 | 227,978 |
| | 2b | — | — | — | (490) | — | 686 | 196 | 1,714 |
| | | 103,396 | 5,887 | — | 8,528 | 30,964 | — | 148,775 | 177,026 |
| | | 109,698 | — | — | — | — | — | 109,698 | 119,145 |
| | | 51,477 | — | — | — | — | — | 51,477 | 41,190 |
| | | 18,058 | — | 1,296 | 4,712 | 2,132 | — | 26,198 | 78,119 |
| | 5a(i) | 123,120 | 5,191 | 7,688 | 8,576 | 5,904 | — | 150,479 | 141,173 |
| | | 16,343 | 389 | — | 971 | 1,554 | — | 19,257 | 80,828 |
| | | — | — | — | — | 6,710 | — | 6,710 | 7,082 |
| | | 100 | — | — | — | — | — | 100 | 626 |
| | | 740,433 | 21,037 | 71,130 | 40,611 | 82,038 | 686 | 955,935 | 1,101,869 |
| | | 39,448 | 5,400 | — | 8,760 | — | — | 53,608 | 52,880 |
| | | 779,881 | 26,437 | 71,130 | 49,371 | 82,038 | 686 | 1,009,543 | 1,154,749 |
| Excess (deficiency) of revenue over expenses | | | | | | | | | |
| | | 295,614 | 9,081 | 8,608 | 16,703 | 108,582 | (686) | 437,902 | 401,640 |
| | | 276,801 | 992 | 10,893 | 19,561 | 78,925 | — | 387,172 | 385,803 |
| | | 18,813 | 8,089 | (2,285) | (2,858) | 29,657 | (686) | 50,730 | 15,837 |

The accompanying notes 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, 2018

| | | | | | | | 2018 | 2017 |
|--|----------------------------------|-----------------------|---|---|--|---------------------------|----------|-----------|
| | Invested in capital assets | Unrestricted funds | Externally restricted fund (Note 2b) | Internally restricted funds- Halton Region | Capital reserve | | Total | Total |
| | | | | | Jean and Howard Caine Apartments | Pooled Capital Fund | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Fund balances, beginning of year | 75,113 | 155,712 | 21,047 | — | 426,667 | 170,146 | 848,685 | 912,553 |
| (Deficiency) excess of revenue over expenses | (220,347) | 271,763 | (686) | — | — | — | 50,730 | 15,837 |
| Grants designated for capital reserve | — | — | — | — | 39,448 | 14,160 | 53,608 | 52,880 |
| Interest on capital reserve investments | — | — | — | — | — | 1,913 | 1,913 | 1,371 |
| Unrealized gain on capital reserve investments | — | — | — | — | (2,085) | — | (2,085) | 3,535 |
| Withdrawals from capital reserve | — | — | — | — | (38,447) | (13,583) | (52,030) | (137,491) |
| Inter-fund transfers | | | | | | | | |
| Purchase of capital assets | 734,885 | (734,885) | — | — | — | — | — | — |
| Deferred capital contributions | (705,197) | 705,197 | — | — | — | — | — | — |
| Mortgage payable | 273,685 | (273,685) | — | — | — | — | — | — |
| Due to MODC on account of capital loan | 10,060 | (10,060) | — | — | — | — | — | — |
| Transfer from Unrestricted to Internally restricted | — | (7,411) | — | 7,411 | — | — | — | — |
| Transfer from Unrestricted to Pooled capital | — | (106,631) | — | — | — | 106,631 | — | — |
| Fund balances, end of year | 168,199 | - | 20,361 | 7,411 | 425,583 | 279,267 | 900,821 | 848,685 |

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

March of Dimes Canada Non-Profit Housing Corporation

Statement of cash flows

Year ended March 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Operating activities | | |
| Excess (deficiency) of revenue over expenses | 50,730 | 15,837 |
| Items not involving cash | — | — |
| Amortization | 387,172 | 385,803 |
| Amortization of deferred capital contributions | (141,623) | (141,952) |
| Capital contributions related to expenses | (25,202) | (76,460) |
| Unrealized (loss) gain on capital reserve investments | (2,085) | 3,535 |
| Changes in non-cash operating working capital | | |
| Accounts receivable | 24,980 | (70,012) |
| Amount due from MODC | — | 240,171 |
| Prepaid expenses | 4,938 | (9,371) |
| Amount due to MODC | (20,463) | 305,813 |
| Accounts payable and accrued liabilities | 198,064 | (363,249) |
| | 476,511 | 290,115 |
| Financing activities | | |
| Deferred capital contributions | 789,191 | 194,191 |
| Mortgage principal repayments | (273,685) | (261,295) |
| | 515,506 | (67,104) |
| Investing activities | | |
| Capital reserve contributions | 53,608 | 52,880 |
| Interest on capital reserve | 1,913 | 1,371 |
| Withdrawals from capital reserve | (52,030) | (137,491) |
| Purchase of capital assets | (734,885) | (6,436) |
| | (731,394) | (89,676) |
| Increase in cash and restricted cash and investments | 260,623 | 133,335 |
| Cash and restricted cash and investments, beginning of year | 1,006,394 | 873,059 |
| Cash and restricted cash and investments, end of year | 1,267,017 | 1,006,394 |
| Consisting of | | |
| Cash | 274,099 | 204,551 |
| Restricted cash and investments | 992,918 | 801,843 |
| | 1,267,017 | 1,006,394 |
| Supplemental cash flow information | | |
| Interest received | 5,355 | 3,581 |
| Interest paid | 214,631 | 234,070 |

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

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2018

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 capital reserve 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).

2. Summary of significant accounting policies (continued)

(b) *Externally restricted fund*

This fund was established during 2017 to account for any future claims related to a special investigation, as instructed by the Halton Region.

During the year, \$Nil (\$669 in 2017) interest was earned, and \$686 (\$1,714 in 2017) was spent on claims related to the special investigation.

(c) *Capital assets*

Buildings 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. Amortization of construction in progress commences on its completion.

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 accrual 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 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.

(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.

(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 amortization of capital assets and deferred capital contributions.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2018

3. Restricted cash and investments

| | 2018 | 2017 |
|---|----------------|---------|
| | \$ | \$ |
| Capital reserve funds | 704,850 | 596,813 |
| Tenants' deposits | 19,269 | 19,082 |
| Deferred capital contributions (Note 7) | 268,799 | 185,948 |
| | 992,918 | 801,843 |

The above balance is comprised of:

| | 2018 | 2017 |
|---|----------------|---------|
| | \$ | \$ |
| Restricted cash | 396,275 | 236,518 |
| Restricted investments | | |
| Term deposits | 172,060 | 142,258 |
| Pooled investment funds | | |
| Social Housing Canadian Short Term Bond Fund Series A | 311,175 | 311,208 |
| Social Housing Canadian Bond Fund Series A | 113,408 | 111,859 |
| | 992,918 | 801,843 |

The term deposits mature between May 7, 2018 and September 17, 2018 (between May 9, 2017 and September 18, 2017 in 2017) and bear interest from 1.45% to 1.8% (from 0.95% to 1.00% in 2017).

The pooled investment funds of \$424,583 (\$430,067 in 2016) 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, 2018

4. Capital assets

| | 2018 | | | 2017 |
|---|-------------------|--------------------------|------------------|------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| | \$ | \$ | \$ | \$ |
| Jean and Howard Caine Apartments | | | | |
| Land | 1,790,603 | — | 1,790,603 | 1,790,603 |
| Building | 6,402,615 | 3,693,103 | 2,709,512 | 2,983,198 |
| Furniture and equipment | 170,705 | 161,463 | 9,242 | 12,355 |
| | 8,363,923 | 3,854,566 | 4,509,357 | 4,786,156 |
| Jason's House | | | | |
| Building | 26,332 | 18,107 | 8,225 | 9,218 |
| Furniture and equipment | 4,818 | 4,818 | — | — |
| | 31,150 | 22,925 | 8,225 | 9,218 |
| Standing Oaks | | | | |
| Building | 782,443 | 277,115 | 505,328 | 524,889 |
| Construction in progress (Note 9) | 532,732 | — | 532,732 | 5,292 |
| Furniture and equipment | 1,071 | 1,071 | — | — |
| | 1,316,246 | 278,186 | 1,038,060 | 530,181 |
| Meynell House | | | | |
| Furniture and equipment | 90,241 | 78,219 | 12,022 | 20,026 |
| Leasehold improvements | 35,790 | 19,305 | 16,485 | 19,374 |
| | 126,031 | 97,524 | 28,507 | 39,400 |
| Wade Hampton House | | | | |
| Land | 200,631 | — | 200,631 | 200,631 |
| Building | 2,247,634 | 374,441 | 1,873,193 | 1,929,386 |
| Construction in progress | 207,445 | — | 207,445 | — |
| Furniture and equipment | 377,948 | 292,533 | 85,415 | 108,148 |
| | 3,033,658 | 666,974 | 2,366,684 | 2,238,165 |
| | 12,871,008 | 4,920,175 | 7,950,833 | 7,603,120 |

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.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2018

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

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 administrative and professional services expense are fees of \$7,704 (\$7,704 in 2017) 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 \$31,676 (\$31,209 in 2017).
- (iii) During the year, NPHC received a MODC's Board of Directors' approved contribution from the MODC Housing Fund of \$165,907 to be applied to the Sarnia capital project (see Note 7).
- (iv) During the year, MODC's Board of Directors approved a contribution from the MODC Housing Fund of \$420,000 (\$Nil in 2017) to NPHC to be applied to the Sudbury capital project, which will be disbursed in 2019.

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

In March 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, but the principal and accrued interest are due no later than March 31, 2022.

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 the prime rate plus 1% per annum, but the loan is payable no later than March 31, 2020.

Interest payable on the promissory note

Amounts payable to MODC for insurance, audit and other expenses paid on behalf of NPHC

| | 2018 | 2017 |
|--|----------------|---------|
| | \$ | \$ |
| | 75,000 | — |
| | 166,142 | 176,202 |
| | 13,955 | 13,955 |
| | 30,253 | 115,656 |
| | 285,350 | 305,813 |

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2018

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 \$4,495,438 (\$4,769,033 in 2017) is being repaid over a 22-year amortization period in 5-year terms (10-year terms in 2017). The interest rate for the 5-year term ending March 1, 2023 is 2.8900% calculated semi-annually (annual interest rate of 4.6872% in 2017). Monthly blended repayments of principal and interest are \$36,944 (\$40,775 in 2017).

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

| | \$ |
|------------|------------------|
| 2019 | 318,359 |
| 2020 | 327,626 |
| 2021 | 337,162 |
| 2022 | 346,977 |
| 2023 | 357,077 |
| Thereafter | <u>2,808,147</u> |
| | <u>4,495,348</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:

| | 2018 | 2017 |
|--|------------------|-----------|
| | \$ | \$ |
| Balance, beginning of year | 2,754,764 | 2,778,985 |
| Received during the year | 789,191 | 194,191 |
| | <u>3,543,955</u> | 2,973,176 |
| Less amounts amortized to revenue | | |
| Capital contributions related to expenses | (25,202) | (76,460) |
| Amortization of deferred capital contributions | (141,623) | (141,952) |
| Balance, end of year | <u>3,377,130</u> | 2,754,764 |

As at March 31, 2018, \$268,799 (\$185,948 in 2017) of deferred capital contributions have been received but not spent.

Included in the above \$789,191 (\$194,191 in 2017) is \$165,907 (\$Nil in 2017) that was received from MODC (see Note 5 (iii)) and \$463,190 (\$Nil in 2017) from The Corporation of the County of Lambton (see Note 9).

8. Grant subsidy

During 2018, pursuant to instructions received from Halton Region, NPHC received \$63,859 (\$9,553 in 2017) from the Halton Region relating to prior year grant subsidy deficit and accrued an amount payable of \$36,321 (accrued an amount receivable of \$63,831 in 2017) for the current year subsidy adjustment.

March of Dimes Canada Non-Profit Housing Corporation

Notes to the financial statements

March 31, 2018

9. Forgivable loan

During the year, NPHC was the recipient of capital funding through a forgivable loan from The Corporation of the County of Lambton for the Standing Oaks property. The loan specifies construction non-performance terms for which the amount and timing are not determinable. The project is scheduled to be completed in July 2018. The forgivable loan issued was for \$514,655. Of this amount, \$463,190 was received as of the year-end and is included in deferred capital contributions. The amount has been spent on construction in progress.

10. Commitments

NPHC has a contract with a property management firm for property management and financial services that requires payments of \$117,181 per year up to July 5, 2018.

A new contract was signed, commencing July 1, 2018 and ending on June 30, 2021, for property management services only. The contract requires annual payments of \$109,000.

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.

NPHC has commitments for leased premises for Meynell House. The approximate future minimum annual lease payments until the maturity date in 2023 are as follows:

| | \$ |
|------|----------------|
| 2019 | 55,500 |
| 2020 | 55,500 |
| 2021 | 55,500 |
| 2022 | 55,500 |
| 2023 | 55,500 |
| | <u>277,500</u> |

11. Subsequent event

Subsequent to the year-end, NPHC received approval for a one-time capital grant from the Ontario Ministry of Health and Long-Term Care of up to \$2,000,000, and also has an agreement in place for the provision of funding from the City of Sudbury in an amount not less than \$1,900,000, in relation to the Sudbury Phase 2 Redevelopment Project for the Acquired Brain Injury ("ABI") Services Congregate Home.