

DRAFT #3
June 10, 2021

Financial Statements of

FRED VICTOR CENTRE

And Independent Auditors' Report thereon

Year ended March 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Fred Victor Centre

Opinion

We have audited the financial statements of Fred Victor Centre (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of 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 March 31, 2021 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

Auditors' 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 auditors' 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.

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 auditors' 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 auditors' 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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

FRED VICTOR CENTRE

DRAFT Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
		(note 16)
Assets		
Current assets:		
Cash and cash equivalents (note 4)	\$ 8,594,560	\$ 6,853,498
Accounts receivable (note 5)	1,911,061	1,600,829
Prepaid expenses and deposits	402,817	395,480
Current portion of AHP forgivable loan receivable (note 10)	113,798	109,006
	<u>11,022,236</u>	<u>8,958,813</u>
Long-term portion of AHP forgivable loan receivable (note 10)	1,576,188	1,689,596
Capital assets (note 6)	54,129,844	55,767,305
Long-term investments - capital funds (notes 3 and 4)	5,004,512	4,674,470
	<u>\$ 71,732,780</u>	<u>\$ 71,090,184</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 8,052,032	\$ 4,896,699
Deferred revenue	2,280,232	2,422,883
Tenants' deposits and prepaid rent	25,933	53,322
Current portion of mortgage payable (note 8)	1,138,023	1,358,054
	<u>11,496,220</u>	<u>8,730,958</u>
Long-term liabilities:		
Mortgage payable (note 8)	13,161,665	14,028,057
Deferred revenue - capital (note 9)	4,095,712	3,981,211
	<u>17,257,377</u>	<u>18,009,268</u>
Deferred contributions and forgivable loans related to capital assets (note 10)	37,966,664	39,411,644
	<u>66,720,261</u>	<u>66,151,870</u>
Net assets:		
Capital replacement reserve:		
Externally restricted	370,716	330,267
Internally restricted	599,246	538,222
Unrestricted accumulated surplus	4,042,557	4,069,825
	<u>5,012,519</u>	<u>4,938,314</u>
Commitments (note 10)		
Subsequent event (note 17)		
	<u>\$ 71,732,780</u>	<u>\$ 71,090,184</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

FRED VICTOR CENTRE

DRAFT Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
		(note 16)
Revenue:		
Government grants and subsidies (note 12)	\$ 34,115,450	\$ 29,196,380
Donations	4,493,488	2,507,818
Rental	3,065,790	2,002,650
Fee income	76,821	113,309
Investment income	99,940	34,903
Other	569,420	303,779
	42,420,909	34,158,839
Expenses:		
Salaries and wages	21,694,492	17,943,101
Benefits	4,243,352	3,449,240
Building occupancy (notes 13 and 14)	9,199,330	6,370,727
Other program costs	3,203,413	2,657,933
Professional fees	1,156,138	1,283,805
Office and general	1,140,135	935,203
Interest	532,428	370,750
Training and development	221,233	171,819
Promotion and publications	69,502	70,297
	41,460,023	33,252,875
Surplus before amortization	960,886	905,964
Amortization of capital contributions (note 10)	1,444,980	1,201,227
Amortization of capital assets (note 6)	(2,331,661)	(1,910,854)
Surplus	\$ 74,205	\$ 196,337

See accompanying notes to financial statements.

FRED VICTOR CENTRE

DRAFT Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	Capital replacement reserve			2021 Total	2020 Total (note 16)
	Externally restricted	Internally restricted	Unrestricted		
Balance, beginning of year	\$ 330,267	\$ 538,222	\$ 4,069,825	\$ 4,938,314	\$ 3,889,451
Surplus	–	–	74,205	74,205	196,337
Amalgamation, contribution of CRC net assets (note 15)	–	–	–	–	852,526
Interfund transfers	40,449	61,024	(101,473)	–	–
Balance, end of year	\$ 370,716	\$ 599,246	\$ 4,042,557	\$ 5,012,519	\$ 4,938,314

See accompanying notes to financial statements.

FRED VICTOR CENTRE

DRAFT Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
		(note 16)
Cash provided by (used in):		
Operating activities:		
Surplus	\$ 74,205	\$ 196,337
Items not involving cash:		
Amortization of capital contributions	(1,444,980)	(1,201,227)
Amortization of capital assets	2,331,661	1,910,854
Change in non-cash working capital:		
Accounts receivable	(310,232)	225,165
Prepaid expenses and deposits	(7,337)	(136,837)
Accounts payable and accrued liabilities	3,155,333	33,615
Tenants deposits and prepaid rent	(27,389)	53,322
Deferred operating revenue	(142,651)	2,207,144
	<u>3,628,610</u>	<u>3,288,373</u>
Financing activities:		
Increase in deferred capital campaign	114,501	115,529
Loan principal repaid	(1,086,423)	(944,360)
AHP forgivable loan received	108,616	26,440
	<u>(863,306)</u>	<u>(802,391)</u>
Investing activities:		
Purchase of capital assets	(694,200)	(508,805)
Increase in investments, net	(330,042)	(3,115,978)
	<u>(1,024,242)</u>	<u>(3,624,783)</u>
Net increase (decrease) in cash and cash equivalents	1,741,062	(1,138,801)
Add cash from amalgamation of CRC	–	613,706
Cash and cash equivalents, beginning of year	6,853,498	7,378,593
Cash and cash equivalents, end of year	<u>\$ 8,594,560</u>	<u>\$ 6,853,498</u>

See accompanying notes to financial statements.

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements

Year ended March 31, 2021

Fred Victor Centre (the "Organization") improves the health, income and housing stability of people experiencing poverty and homelessness. This is achieved through programs and services at locations across Toronto, providing affordable housing, emergency shelter, food access, mental health and other health supports, drop-in services, job training and counselling, food skills, community advocacy, gardening, outreach events, and specialized support programs.

The Organization is incorporated without share capital under the Corporations Act (Ontario), and is a charitable corporation registered under the Income Tax Act (Canada). As such, the Organization is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

(b) Revenue recognition:

The Organization follows the deferral method of revenue recognition. Under the deferral method, grants, specified donations and externally restricted monies received in the year for expenses to be incurred in the following fiscal years are recorded as deferred revenue.

Non-capital, legacy and bequest donations are recognized as revenue when funds are received unless restricted for a specific purpose. In this event they will be recognized as revenue in the same period as the related expense.

Donations specified for capital purchases are deferred and recorded as revenue over the same period as the underlying assets are amortized and are included in deferred capital grants.

Rent revenue is recognized when the service has been provided and collectability is reasonably assured.

Investment income includes interest, dividends and realized and unrealized gains and losses. Investment income is recognized as revenue when earned.

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

Fees for service consist of catering and miscellaneous services which are recognized when they are received or become receivable.

Other revenue is recognized depending on the nature of the revenue.

(c) Cash and cash equivalents:

The Organization's policy is to present bank balances and term deposits as cash and cash equivalents. Any restricted funds are not included.

(d) Financial instruments:

The Organization records equity investment pooled funds, money market funds, and fixed income pooled funds at fair value with changes in fair value recognized in the statement of operations or in the externally restricted fund. Accounts receivable, forgivable loan receivable, mortgages, accounts payable and accrued liabilities, and other financial liabilities are initially recognized at fair value and subsequently at amortized cost. Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

(e) Capital assets:

Capital assets are stated at cost less accumulated amortization. Amortization is provided using the straight-line method over the estimated useful lives of the assets, calculated as follows:

Buildings	30 - 40 years
Furniture and equipment	3 - 5 years
Kitchen renovations	7 years
Leasehold improvements	Over the lease terms
Vehicles	8 -10 years

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(f) Employee retirement benefits:

The Organization provides a Registered Retirement Saving Plan for eligible non-bargaining unit and bargaining unit employees. Employees contribute 4% of gross earnings, and the Organization contributes 6.5% of the employee's gross earnings to the plan. The expense for the year was \$859,440 (2020 - \$696,647) and is included in benefits on the statement of operations.

(g) Asset impairment:

In the event that facts and circumstances indicate that the Organization's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Organization considers that no circumstances exist that would require such an evaluation.

(h) Donated services, food and other materials:

The Organization receives many food donations and other materials and the value of these donations is not recorded.

The Organization's activities include time donated by a number of volunteers. Since no objective basis exists for recording and assigning values to these services, they are not reflected in the accompanying financial statements.

(i) Donated capital assets:

Donations of capital assets are recorded at fair value when fair value can be reasonably estimated and when such value is significant. Donation of non-depreciable capital assets is recorded as a direct increase to net assets.

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(j) Allocation of expenses:

The Organization incurs salaries and benefits expenses, as well as administrative support and overhead expenses that are common to the administration of the Organization and to each program that it operates. Salaries and benefits are allocated proportionately based on the percentage of time spent on that project. Administrative support and overhead expenses are allocated based on the percentage used on each program.

(k) Use of estimates:

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting year. Estimates include certain accrued liabilities, useful life of capital assets, and fair value of investments. Actual results could differ from these estimates, as additional information becomes available in the future.

2. Financial instruments:

Risk management policy:

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the risks at March 31, 2021.

The COVID-19 pandemic has created uncertainty and volatility across world markets. Management has assessed the summarized risks and determined they are consistent in 2021 as compared to 2020.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Organization is subject to concentrations of credit risk through its cash accounts. The Organization maintains all of its cash at a Canadian Schedule 1 Banks. The maximum credit risk is equivalent to the carrying value.

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

2. Financial instruments (continued):

The Organization is also subject to concentrations of credit risk through its accounts receivable. Rent is due on the first day of the month. Tenant receivables represent rents that are at least one month past due. The Organization manages this risk by providing for bad debt and vacancy loss.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its required long-term debt payments. This risk is reduced because of considerable sums invested in term deposits and mutual funds.

(c) Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

Interest rate risk:

The Organization manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Organization has invested its excess cash in low risk interest bearing vehicles such as term deposits as the means for managing its interest rate risk.

Interest rates earned on term deposits vary between 0.5% and 1.2% per annum at March 31, 2021. The mortgages and loans bear fixed interest rates.

3. Reserves:

(a) Capital funds - externally restricted:

As a condition of the Affordable Housing Program ("AHP") funding, related to a mortgage, the Organization is required to maintain a capital replacement fund and is required to annually deposit funds into an investment trust chosen and managed by the Ontario Infrastructure and Lands Corporation.

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

3. Reserves (continued):

Funds are also externally restricted according to an agreement with the Shelter, Support and Housing Administration Division ("SSHA") of the City of Toronto, to maintain a capital replacement fund and there is a requirement to annually deposit funds into an investment trust chosen by SSHA.

Funds are held in a separate bank account, in accordance with a covenant set out by Canadian Housing and Mortgage Corporation related to one of the mortgages.

(b) Capital fund - internally restricted:

The Fred Victor Centre Board of Directors maintains internally restricted capital replacement funds related to 20 Palace Street and 40 Oak Street.

4. Cash, cash equivalents, and long-term investments:

	2021	2020
Cash and cash equivalents:		
Petty cash	\$ 8,426	\$ 9,946
Operating current accounts	8,586,134	6,832,168
Term deposits	–	11,384
	8,594,560	6,853,498
Long-term investments:		
Bank account, restricted by covenant	148,576	148,547
Term deposit, restricted by donor	2,662,443	2,594,027
Bond funds, restricted by covenant	1,994,247	1,793,675
Mutual funds, restricted internally	199,246	138,221
	5,004,512	4,674,470
	<u>\$ 13,599,072</u>	<u>\$ 11,527,968</u>
Composed of:		
Cash and cash equivalents	\$ 8,594,560	\$ 6,853,498
Capital funds (notes 3 and 8)	5,004,512	4,674,470
	<u>\$ 13,599,072</u>	<u>\$ 11,527,968</u>

Long-term investments are invested in liquid investments. The Organization has categorized the short-term versus long term presentation based on intent of use.

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

5. Accounts receivable:

	2021	2020
Grants receivable	\$ 942,174	\$ 715,087
HST receivable	740,702	537,764
Other	322,795	391,056
	2,005,671	1,643,907
Less allowance for doubtful accounts	94,610	43,078
	\$ 1,911,061	\$ 1,600,829

6. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	\$ 56,836,797	\$ 19,023,309	\$ 37,813,488	\$ 39,447,960
Leasehold improvements	21,112,738	6,072,172	15,040,566	15,345,383
Furniture and equipment	1,742,526	1,721,194	21,332	30,956
Restaurant improvements	565,424	565,424	–	–
Kitchen renovations	887,772	111,561	776,211	461,910
Land	460,001	–	460,001	460,001
Vehicles	52,057	33,811	18,246	21,095
	\$ 81,657,315	\$ 27,527,471	\$ 54,129,844	\$ 55,767,305

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$37,248 (2020 - nil), which includes amounts payable for harmonized sales tax.

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

8. Mortgages and loans payables:

(a) 40 Oak Street - Ontario Infrastructure and Lands Corporation ("OILC"):

Mortgage payable to OILC.

Details of the mortgage are as follows:

Initial principal		\$6,390,910
Secured by	Leasehold mortgage 40 Oak Street	
Interest rate		4.27%
Term	10 years ending September 4, 2022	
Monthly principal and interest payments		\$32,635

(b) 20 Palace Street - First National Financial LP:

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

Initial principal		\$5,615,800
Secured by	Leasehold mortgage 20 Palace Street	
Interest rate		3.41%
Term	30 years ending June 1, 2036	
Monthly principal and interest payments		\$24,862

(c) 147 Queen Street - First National Financial LP:

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

Initial principal		\$2,223,571
Secured by	Leasehold mortgage 147 Queen Street	
Interest rate		2.99%
Term	5 years ending October 1, 2024	
Monthly principal and interest payments		\$39,927

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

8. Mortgages and loans payables (continued):

(d) 704 Mortimer Avenue - First National Financial LP:

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

Initial principal	\$1,550,962
Secured by	Leasehold mortgage 704 Mortimer Avenue
Interest rate	2.99%
Term	5 years ending October 1, 2024
Monthly principal and interest payments	\$16,385

(e) 139 Jarvis Street - First National Financial LP:

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

Initial principal	\$1,137,422
Secured by	Leasehold mortgage 139 Jarvis Street
Interest rate	2.99%
Term	5 years ending October 1, 2024
Monthly principal and interest payments	\$20,424

(f) 40 Oak Street - Loan - TUCC:

Loan payable to TUCC.

Details of the loan are as follows:

Initial principal	\$418,794
Interest rate	4.00%
Term	3 years ending November 1, 2023
Monthly principal and interest payments	\$1,942

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

8. Mortgages and loans payables (continued):

Principal payments, inclusive of renewal terms, due in the next five years and thereafter are as follows:

	2022	2023	2024	2025	2026	Thereafter
Mortgage - Oak	\$ 174,561	\$ 5,002,308	\$ –	\$ –	\$ –	\$ –
Mortgage - Palace	129,389	133,839	138,442	143,203	148,128	4,366,040
Mortgage - Queen	437,784	450,971	464,556	273,370	–	–
Mortgage - Mortimer	159,546	164,353	169,304	840,227	–	–
Mortgage - Jarvis	223,941	230,687	237,636	139,827	–	–
Loan - TUCC	12,802	13,319	245,455	–	–	–
	<u>\$ 1,138,023</u>	<u>\$ 5,995,477</u>	<u>\$ 1,255,393</u>	<u>\$ 1,396,627</u>	<u>\$ 148,128</u>	<u>\$ 4,366,040</u>

9. Deferred revenue - capital:

In fiscal year 2018-19, the Organization received donations designated to Fred Victor's Housing & Hope Capital Fund. This Fund will be used to create new affordable housing in Toronto. Also includes deferred funds received from the City of Toronto for future capital expenditures.

	2021	2020
Opening balance	\$ 3,981,211	\$ 3,865,660
Contributions	177,964	208,446
Expenses applied	63,463	92,895
Ending balance	<u>\$ 4,095,712</u>	<u>\$ 3,981,211</u>

10. Deferred contributions and forgivable loans related to capital assets:

The Organization has received both forgivable loans and contributions to be used for capital development and other capital assets.

	2021	2020
AHP forgivable loan receivable	\$ 1,689,986	\$ 1,798,602
Less current portion	113,798	109,006
Balance, end of year	<u>\$ 1,576,188</u>	<u>\$ 1,689,596</u>

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

10. Deferred contributions and forgivable loans related to capital assets (continued):

For the forgivable loans, the principal and interest are forgivable under the terms of the agreements. The Organization annually confirms they are in compliance with the terms in order to recognize the forgivable portion. In the event that the Organization is in default of an agreement, the remaining principal balance must be repaid.

The contributions for capital development are amortized using the rates described in note 1.

			2021
	Balance, beginning of year	Amortization	Balance, end of year
Forgivable loans			
Ministry of Municipal Affairs and Housing	\$ 16,546,986	\$ 632,431	\$ 15,914,555
AHP - Federal	2,865,436	90,250	2,775,186
AHP - Provincial	1,968,500	62,000	1,906,500
AHP - City of Toronto	1,517,174	47,785	1,469,389
AHP - TCHC	950,390	29,934	920,456
United Church	79,375	2,500	76,875
Total forgivable loans	\$ 23,927,861	\$ 864,900	\$ 23,062,961

			2021
	Balance, beginning of year	Amortization	Balance, end of year
Deferred contributions			
145 Queen Street	\$ 9,235,833	\$ 279,876	\$ 8,955,957
40 Oak Street	2,734,903	90,865	2,644,038
20 Palace Street	2,013,643	87,420	1,926,223
418 Dawes Road	1,427,818	115,756	1,312,062
704 Mortimer Avenue	55,129	1,776	53,353
East Toronto Property	16,457	4,387	12,070
Total deferred contributions	\$ 15,483,783	\$ 580,080	\$ 14,903,703
Total forgivable loans and deferred contributions	\$ 39,411,644	\$ 1,444,980	\$ 37,966,664

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

11. Commitments:

The Organization has the various operating leases for its premises. The minimum annual lease payments for the next five years and thereafter are as follows:

2022	\$	2,943,120
2023		2,717,870
2024		2,718,800
2025		2,641,830
2026		2,668,760
Thereafter		20,753,470
	\$	34,443,850

12. Government grants and subsidies:

Government grants and subsidies recognized in the year were as follows:

	2021	2020
City of Toronto:		
Hostel	\$ 6,261,077	\$ 5,274,528
Winter Respite Service	4,173,633	5,304,728
Housing	3,759,387	3,434,303
Edward Village	2,328,324	–
Drop-In Programs	1,666,318	1,539,611
Housing Access and Support Services	1,530,599	1,537,455
Covid-19 Pandemic	1,138,272	–
City of Toronto other	692,355	380,867
Employment Programs	433,897	411,877
Transitional Housing Program	392,473	406,866
	22,376,335	18,290,235
Ministry of Health and Long-Term Care and LHIN:		
Community Mental Health	6,555,730	6,568,887
Consumption and Treatment Services	1,667,536	1,642,868
Housing	936,197	924,407
Drop-In Programs	560,606	560,606
Covid-19 Pandemic	880,946	–
Other	411,998	509,368
	11,013,013	10,206,136
Human Resources and Skills Development Canada	723,602	696,509
Other	2,500	3,500
	\$ 34,115,450	\$ 29,196,380

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

13. Addiction supportive housing program:

Following are rent amounts included in building occupancy expenses and associated rent deposit included in prepaid rent:

	2021	2020
Rent expense	\$ 121,996	\$ 103,454
Rent deposit	9,968	12,268

14. Addiction mental health housing program:

Following are rent amounts included in building occupancy expenses and associated rent deposit included in prepaid rent:

	2021	2020
Rent expense	\$ 149,061	\$ 126,913
Rent deposit	11,734	15,713

15. General and facilities administration expense allocations:

General and facilities administration expenses are allocated to various program cost centres based on reasonable estimates:

	2021	2020
Summary of allocations:		
Finance	\$ 1,555,892	\$ 1,299,543
General	1,216,081	1,134,137
Facilities admin	1,046,717	937,132
Human resources	717,223	676,766
	\$ 4,535,913	\$ 4,047,578
Summary of expenses:		
Salaries and wages	\$ 2,430,175	\$ 1,989,496
Professional fees	750,787	976,998
Building occupancy	458,193	417,194
Benefits	424,467	326,462
Office and general	409,675	281,097
Training and development	62,616	56,331
	\$ 4,535,913	\$ 4,047,578

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

16. Amalgamation with Toronto Christian Resource Centre:

The Board of Directors of the Toronto Christian Resource Centre ("CRC") and Fred Victor Centre each unanimously agreed to a voluntary amalgamation aimed at improving services. This was completed as of January 1, 2020. Fred Victor Centre will be the ongoing entity and the financial statements are based on Fred Victor Centre with the assets and operations of CRC consolidated into the results beginning January 1, 2020.

The assets received and liabilities assumed received on January 1, 2020 are disclosed below:

Assets

Current assets:

Cash and cash equivalents	\$	601,384
Accounts receivable		138,711
Prepaid expenses		23,304
Current portion of AHP forgivable loan receivable		107,840
		<u>871,239</u>

Long-term assets:

Capital assets		13,995,482
Long-term investments - capital funds		489,661
Long-term portion of AHP forgivable loan receivable		1,717,202
		<u>16,202,345</u>

\$ 17,073,584

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities	\$	196,062
Deferred operating revenue		119,883
Tenants' deposits and prepaid rent		30,722
		<u>346,667</u>

Long-term liabilities:

Mortgages and loan payable		5,658,190
Deferred contributions and forgivable loans related to capital assets		10,216,201
		<u>16,221,058</u>

Net assets:

Restricted		489,661
Unrestricted accumulated surplus		362,865
		<u>852,526</u>

\$ 17,073,584

FRED VICTOR CENTRE

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2021

17. Subsequent event:

On May 6, 2021, the Organization entered into a credit agreement bearing interest rates ranging from the rate determined at the time of borrowing to prime plus 1% with multiple facilities which shall not exceed \$2,650,000 at any time.