

Financial Statements of

**FRED VICTOR CENTRE**

And Independent Auditor's Report thereon

Year ended March 31, 2023



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## INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



### ***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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 28, 2023

# FRED VICTOR CENTRE

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 4)	\$ 9,459,115	\$ 11,788,065
Accounts receivable (note 5)	2,283,247	1,496,777
Prepaid expenses and deposits	600,074	409,049
Current portion of AHP forgivable loan receivable (note 10)	124,024	118,800
	<u>12,466,460</u>	<u>13,812,691</u>
Long-term portion of AHP forgivable loan receivable (note 10)	1,324,512	1,457,794
Capital assets (note 6)	49,485,762	52,327,052
Long-term investments - capital funds (notes 3 and 4)	16,182,573	4,925,893
	<u>\$ 79,459,307</u>	<u>\$ 72,523,430</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 10,457,229	\$ 10,405,116
Deferred revenue	1,369,137	2,459,579
Tenants' deposits and prepaid rent	18,099	29,160
Current portion of mortgage payable (note 8)	1,423,209	5,996,096
	<u>13,267,674</u>	<u>18,889,951</u>
Long-term liabilities:		
Mortgage payable (note 8)	9,930,004	7,168,657
Deferred revenue - capital (note 9)	4,502,805	4,057,034
	<u>14,432,809</u>	<u>11,225,691</u>
Deferred contributions and forgivable loans related to capital assets (note 10)	35,393,746	36,892,666
	<u>63,094,229</u>	<u>67,008,308</u>
Net assets:		
Capital replacement reserve:		
Externally restricted	2,115,324	1,883,298
Internally restricted	11,749,256	614,668
Unrestricted accumulated surplus	2,500,498	3,017,156
	<u>16,365,078</u>	<u>5,515,122</u>
Commitments (note 11)		
	<u>\$ 79,459,307</u>	<u>\$ 72,523,430</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# FRED VICTOR CENTRE

## Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Government grants and subsidies (note 12)	\$ 38,147,355	\$ 36,026,129
Donations	4,935,281	5,152,823
Rental	3,166,570	2,982,647
Investment income	616,251	20,488
Other	283,298	682,376
Fee income	138,693	56,131
	<u>47,287,448</u>	<u>44,920,594</u>
Expenses:		
Salaries and wages	25,374,317	24,271,007
Benefits	4,588,776	3,990,485
Building occupancy (notes 13 and 14)	9,759,986	9,846,291
Other program costs	2,717,551	2,173,148
Office and general	1,804,268	1,178,890
Professional fees	858,119	1,067,583
Interest	438,793	499,013
Training and development	374,344	392,193
Promotion and publications	119,846	60,396
	<u>46,036,000</u>	<u>43,479,006</u>
Surplus before the undernoted	1,251,448	1,441,588
Amortization of capital contributions (note 10)	1,498,920	1,470,591
Amortization of capital assets (note 6)	(2,433,678)	(2,409,576)
Realized gain on sale of capital assets	10,533,266	—
Surplus	<u>\$ 10,849,956</u>	<u>\$ 502,603</u>

See accompanying notes to financial statements.

# FRED VICTOR CENTRE

## Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

	Capital replacement reserve			2023	2022
	Externally restricted	Internally restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 1,883,298	\$ 614,668	\$ 3,017,156	\$ 5,515,122	\$ 5,012,519
Surplus	–	10,533,266	316,690	10,849,956	502,603
Interfund transfers	232,026	601,322	(833,348)	–	–
Balance, end of year	\$ 2,115,324	\$ 11,749,256	\$ 2,500,498	\$ 16,365,078	\$ 5,515,122

See accompanying notes to financial statements.

# FRED VICTOR CENTRE

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Surplus	\$ 10,849,956	\$ 502,603
Items not involving cash:		
Amortization of capital contributions	(1,498,920)	(1,470,591)
Amortization of capital assets	2,433,678	2,409,576
Change in non-cash working capital:		
Accounts receivable	(786,470)	414,284
Prepaid expenses and deposits	(191,025)	(6,231)
Accounts payable and accrued liabilities	52,113	2,353,084
Tenants' deposits and prepaid rent	(11,061)	3,226
Deferred revenue	(1,090,442)	179,346
Realized gain on sale of capital assets	(10,533,266)	—
	(775,437)	4,385,297
Financing activities:		
Increase (decrease) in deferred capital campaign	445,771	(38,678)
Increase in deferred contributions	—	396,594
Mortgage principal repaid	(1,811,540)	(1,134,934)
AHP forgivable loan received	128,058	113,391
	(1,237,711)	(663,627)
Investing activities:		
Purchase of capital assets	(146,412)	(606,784)
Net proceeds from sale of capital assets	11,087,290	—
Increase in investments, net	(11,256,680)	78,619
	(315,802)	(528,165)
Net increase (decrease) in cash and cash equivalents	(2,328,950)	3,193,505
Cash and cash equivalents, beginning of year	11,788,065	8,594,560
Cash and cash equivalents, end of year	\$ 9,459,115	\$ 11,788,065

See accompanying notes to financial statements.



# FRED VICTOR CENTRE

Notes to Financial Statements

Year ended March 31, 2023

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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

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 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. 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:

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

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# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 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 \$918,523 (2022 - \$832,717) 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, the value of these donations are 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 gifts in kind:

Donations of materials and services are recorded at fair value when fair value can be reasonably estimated and the items are used in operations and would have otherwise been purchased. Donation of non-depreciable capital assets is recorded as a direct increase to net assets.

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 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, 2023.

The Organization is currently experiencing a deficiency of skilled peer support and front-line workers, alongside predominant staffing barriers. The Organization is encountering difficulties in both recruiting and retaining qualified staff members. The challenges in recruiting and retaining qualified staff members may lead to increased recruitment costs, potential productivity losses, and additional expenses related to training and onboarding, which could impact the Organization's financial position.

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 2. Financial instruments (continued):

### (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.

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 guaranteed investment certificates ("GIC") as the means for managing its interest rate risk.

Interest rates earned on term deposits vary between 0.70% and 4.5% per annum at March 31, 2023 (2022 - 0.70% and 0.90%). The mortgages and loans bear fixed interest rates.

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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### 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.

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.

The Kingston Road Project was initiated during fiscal year 2023. The city agreement for the Kingston Road Project consists of two phases, the remodeling of the existing motel and the build of the modular housing. Each phase will have startup and operational costs. The motel was launched August 8, 2022, and the modular building is planned for March 2024.

(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. Additionally, the Organization's management has internally restricted capital replacement funds allocated to Mary Sheffield and Fatima House, as a reserve/provision for potential future requirements.

(c) Capital fund - unrestricted:

On May 9, 2022, the building and land located at 86 Lombard Street in Toronto was sold for total proceeds of \$11,425,000 as set out in the Agreement of Purchase and Sale dated January 4, 2022. Legal fees and commissions were \$337,710 for net proceeds of \$11,087,290. The gain on the sale is \$10,533,266. The program managed at the 86 Lombard location was relocated by the City of Toronto earlier in the year.

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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

	2023	2022
Cash and cash equivalents:		
Petty cash	\$ 8,379	\$ 8,485
Operating current accounts	9,450,736	11,779,580
	9,459,115	11,788,065
Long-term investments:		
Bank account, restricted by covenant	203,610	148,581
GIC, 86 Lombard fund, unrestricted	11,000,000	–
GIC, restricted by donor	2,713,799	2,673,990
Bond funds, restricted by covenant	2,065,908	1,888,653
Mutual funds, restricted internally	199,256	214,669
	16,182,573	4,925,893
	<u>\$ 25,641,688</u>	<u>\$ 16,713,958</u>
Composed of:		
Cash and cash equivalents	\$ 9,459,115	\$ 11,788,065
Capital funds (note 3)	16,182,573	4,925,893
	<u>\$ 25,641,688</u>	<u>\$ 16,713,958</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.

## 5. Accounts receivable:

	2023	2022
Grants receivable	\$ 1,675,007	\$ 794,679
HST receivable	529,732	357,089
Other	203,814	442,337
	2,408,553	1,594,105
Less allowance for doubtful accounts	125,306	97,328
	<u>\$ 2,283,247</u>	<u>\$ 1,496,777</u>

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 6. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	\$ 73,420,937	\$ 26,481,069	\$ 46,939,868	\$ 49,006,189
Leasehold improvements	3,391,892	2,036,077	1,355,815	1,608,851
Furniture and equipment	1,858,475	1,714,763	143,712	–
Renovations	2,245,955	1,393,682	852,273	1,057,770
Land	2	–	2	460,001
Vehicles	52,058	39,510	12,548	15,397
Capital projects in progress	181,544	–	181,544	178,844
	\$ 81,150,863	\$ 31,665,101	\$ 49,485,762	\$ 52,327,052

## 7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$50,580 (2022 - \$44,482), which includes amounts payable for harmonized sales tax.

Accounts payable and accrued liabilities comprise the following:

	2023	2022
Accounts payable and accrued liabilities	\$ 6,927,715	\$ 6,703,496
HST payable	50,580	44,482
Mortgage interest payable	36,790	42,336
Other	3,167	185,312
	7,018,252	6,975,626
Payroll-related payables	3,438,977	3,429,490
	\$ 10,457,229	\$ 10,405,116



# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 8. Mortgages and loans payable:

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

Mortgage payable to OILC.

Details of the mortgage are as follows:

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Initial principal	\$4,263,136
Secured by	Leasehold mortgage 40 Oak Street
Interest rate	4.08%
Term	5 years ending September 6, 2027
Monthly principal and interest payments	\$27,895

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

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

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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

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

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

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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

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# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 8. Mortgages and loans payable (continued):

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

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

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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

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

Mortgage payable to First National Financial LP.

Details of the mortgage are as follows:

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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

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(f) 40 Oak Street - Loan - TUCC:

Loan payable to TUCC.

Details of the loan are as follows:

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

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# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 8. Mortgages and loans payable (continued):

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

	2024	2025	2026	2027	2028	Thereafter
Mortgage - Oak	\$ 167,221	\$ 174,172	\$ 181,413	\$ 188,995	\$ 196,810	\$ 3,272,381
Mortgage - Palace	138,082	142,800	147,710	152,785	158,039	4,057,356
Mortgage - Queen	463,409	275,565	–	–	–	–
Mortgage - Mortimer	168,885	841,027	–	–	–	–
Mortgage - Jarvis	237,041	140,951	–	–	–	–
Loan - TUCC	248,571	–	–	–	–	–
	<u>\$ 1,423,209</u>	<u>\$ 1,574,515</u>	<u>\$ 329,123</u>	<u>\$ 341,780</u>	<u>\$ 354,849</u>	<u>\$ 7,329,737</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.

	2023	2022
Opening balance	\$ 4,057,034	\$ 4,095,712
Contributions	445,771	79,191
Expenses applied	–	(117,869)
Ending balance	<u>\$ 4,502,805</u>	<u>\$ 4,057,034</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.

	2023	2022
AHP forgivable loan receivable	\$ 1,448,536	\$ 1,576,594
Less current portion	124,024	118,800
Balance, end of year	<u>\$ 1,324,512</u>	<u>\$ 1,457,794</u>

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 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.

			2023
	Balance, beginning of year	Amortization	Balance, end of year
Forgivable loans			
Ministry of Municipal Affairs and Housing	\$ 15,282,125	\$ 632,430	\$ 14,649,695
AHP - Federal	2,684,936	90,250	2,594,686
AHP - Provincial	1,844,500	62,000	1,782,500
AHP - City of Toronto	1,421,604	47,785	1,373,819
AHP - TCHC	890,522	29,934	860,588
United Church	74,375	2,500	71,875
<b>Total forgivable loans</b>	<b>\$ 22,198,062</b>	<b>\$ 864,899</b>	<b>\$ 21,333,163</b>

			2023
	Balance, beginning of year	Amortization	Balance, end of year
Deferred contributions			
145 Queen Street	\$ 9,044,346	\$ 336,533	\$ 8,707,813
40 Oak Street	2,555,889	88,149	2,467,740
20 Palace Street	1,838,803	87,420	1,751,383
418 Dawes Road	1,196,306	115,756	1,080,550
704 Mortimer Avenue	51,577	1,776	49,801
East Toronto Property	7,683	4,387	3,296
<b>Total deferred contributions</b>	<b>\$ 14,694,604</b>	<b>\$ 634,021</b>	<b>\$ 14,060,583</b>
<b>Total forgivable loans and deferred contributions</b>	<b>\$ 36,892,666</b>	<b>\$ 1,498,920</b>	<b>\$ 35,393,746</b>

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 11. Commitments:

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

2024	\$ 3,075,367
2025	2,965,704
2026	2,991,306
2027	2,808,686
2028	2,566,341
Thereafter	13,087,030
	\$ 27,494,434

## 12. Government grants and subsidies:

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

	2023	2022
City of Toronto:		
Hostel	\$ 8,063,599	\$ 6,801,792
Winter Respite Service	3,469,192	3,967,277
Housing	5,021,389	3,600,230
Edward Village	5,209,957	4,536,397
Drop-In Programs	1,715,660	1,666,320
Housing Access and Support Services	1,253,439	1,559,728
Covid-19 Pandemic	–	1,417,192
Warming Centre	558,862	–
City of Toronto other	407,175	427,029
Employment Programs	478,166	666,015
Transitional Housing Program	414,457	397,109
	26,591,896	25,039,089
Ministry of Health and Long-Term Care and LHIN:		
Community Mental Health	7,524,692	6,517,426
Consumption and Treatment Services	1,742,823	1,744,003
Housing	624,479	964,781
Drop-In Programs	560,605	560,608
Covid-19 Pandemic	–	156,399
Other	359,796	387,722
	10,812,395	10,330,939
Human Resources and Skills Development Canada	743,064	656,101
	\$ 38,147,355	\$ 36,026,129

# FRED VICTOR CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 13. Addiction supportive housing program:

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

	2023	2022
Rent expense	\$ 135,448	\$ 139,156
Rent deposit	9,838	12,868

## 14. Addiction mental health housing program:

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

	2023	2022
Rent expense	\$ 131,026	\$ 120,499
Rent deposit	19,283	19,634

## 15. General and facilities administration expense allocations:

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

	2023	2022
Summary of allocations:		
Finance	\$ 1,935,918	\$ 1,662,650
General	1,586,149	1,231,581
Facilities admin	1,224,522	1,190,202
Human resources	913,903	868,831
	<u>\$ 5,660,492</u>	<u>\$ 4,953,264</u>
Summary of expenses:		
Salaries and wages	\$ 2,594,862	\$ 2,465,253
Professional fees	863,910	752,597
Building occupancy	511,894	501,732
Benefits	624,845	486,136
Office and general	937,861	611,264
Training and development	127,120	136,282
	<u>\$ 5,660,492</u>	<u>\$ 4,953,264</u>