

HOMES FIRST SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024

HOMES FIRST SOCIETY

Financial Statements December 31, 2024

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AKLER BROWNING LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Homes First Society

Opinion

We have audited the financial statements of Homes First Society (the "Society"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and the result of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the operating agreements between the Society and the specified users described in the notes to the financial statements.

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 report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Members of the Society to comply with the financial reporting provisions of the operating agreements between the Society and the specified users described in the notes to the financial statements. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Members of the Society and the specified users and should not be used by parties other than the Members of the Society or the specified users.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the operating agreements between the Society and the specified users described in the notes to the financial statements, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

AKLER BROWNING LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

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 these 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 Society'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 Society'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 Society 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.

We 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.

Akler Browning LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
May 6, 2025

HOMES FIRST SOCIETY
Statement of Financial Position
December 31, 2024

	2024	2023
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 6,232,443	\$ 8,074,276
Accounts receivable (Note 3)	1,683,920	1,209,914
Government funding receivable	1,171,469	3,528,857
Advances to Homes First Foundation (Note 4)	183,016	237,058
Prepays	471,765	352,755
Total current assets	9,742,613	13,402,860
Capital assets (Note 5)	2,973,125	3,297,276
Assets under capital lease (Note 6)	567,609	935,108
Restricted investments (Note 2)	4,004,365	3,352,199
Total Assets	\$ 17,287,712	\$ 20,987,443
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 7,089,349	\$ 9,698,789
Government remittance payable	109,393	128,582
Payable to the City of Toronto	1,178,001	362,647
Deferred contributions (Note 7)	779,674	2,309,071
Current portion of mortgages payable (Note 10)	976,674	2,428,321
Total current liabilities	10,133,091	14,927,410
Deferred capital contributions (Note 8)	51,968	71,564
Restricted contribution (Note 9)	126,464	126,464
Mortgages payable (Note 10)	1,887,405	1,449,605
Total Liabilities	12,198,928	16,575,043
Fund Balances		
Externally restricted reserve funds	2,106,312	2,337,682
Internally restricted reserve fund	1,771,589	888,053
Unrestricted fund	1,210,883	1,186,665
Total Fund Balances	5,088,784	4,412,400
Total Liabilities and Fund Balances	\$ 17,287,712	\$ 20,987,443

Approved on behalf of the Board

Mike Heinrich Director

Megan Mitchell Director

May 6, 2025 Date

HOMES FIRST SOCIETY
Statement of Changes in Fund Balances
Year ended December 31, 2024

	Externally Restricted Reserve Section 106 Fund	Externally Restricted Reserve S/B/N Section 95 Fund	Externally Restricted Strachan Capital Reserve Fund	Externally Restricted Scarboro Capital Reserve Fund	Internally Restricted Reserve Fund	Unrestricted Operating Fund		2024	2023
Balance, beginning of year	\$ 1,094,631	\$ 577,168	\$ 475,019	\$ 190,864	\$ 888,053	\$ 1,186,665	\$	4,412,400	\$ 3,594,248
Add/(Deduct):									
Allocation from operations	163,827	60,000	-	-	883,536	-		1,107,363	260,930
Reserve investment income	135,297	82,704	22,472	9,029	-	-		249,502	637,685
Reserve expenditures (Note 11)	(704,699)	-	-	-	-	-		(704,699)	(99,946)
Excess of revenues over expenditures	-	-	-	-	-	24,218		24,218	19,483
Balance, end of year	\$ 689,056	\$ 719,872	\$ 497,491	\$ 199,893	\$ 1,771,589	\$ 1,210,883	\$	5,088,784	\$ 4,412,400

See notes to the financial statements

HOMES FIRST SOCIETY
Statement of Operations
Year ended December 31, 2024

	Shelters	Hotel	Supportive Housing	Follow up Support Services	CAMH	Section 106 Various	Section 95 S/B/N	All Saints	Kendleton	Managed Properties	Support for Daily Living	2024	2023
Revenues													
Government funding - City of Toronto (Schedule)	\$ 52,187,796	\$ 12,674,663	\$ 5,472,340	\$ 715,456	\$ -	\$ 2,701,869	\$ 484,753	\$ 44,187	\$ 315,000	\$ 239,341	\$ 923,131	\$ 75,758,536	\$ 63,856,879
Revenues from tenants	-	-	737,949	-	-	716,118	268,821	-	-	65,530	-	1,788,418	1,483,974
Program funding	126,812	-	-	-	280,285	-	-	676,518	-	-	-	1,083,615	459,854
Donations, interest and other	5,543	-	-	-	-	-	9,413	-	-	416,137	-	431,093	243,582
Government funding MOHLTC	-	-	-	-	-	-	-	370,914	-	-	-	370,914	366,498
Deferred contributions	6,162	8,235	78,061	-	-	101,712	-	-	-	-	21,529	215,699	659,561
Federal grants	-	-	-	-	-	-	155,000	-	-	-	-	155,000	-
Provincial grants	84,375	10,500	21,000	-	-	-	10,500	-	-	10,500	10,500	147,375	-
Management fees	-	-	-	-	-	-	-	-	-	110,893	-	110,893	116,089
Non-rental income	-	-	30,820	-	-	17,478	36,595	-	-	4,998	-	89,891	36,260
Amortization of deferred capital contributions (Note 8)	19,596	-	-	-	-	-	-	-	-	-	-	19,596	19,596
United Way	-	-	-	-	-	-	-	-	-	-	-	-	36,888
	52,430,284	12,693,398	6,340,170	715,456	280,285	3,537,177	965,082	1,091,619	315,000	847,399	955,160	80,171,030	67,279,181
Expenditures													
Administrative and Program (Schedule)	45,622,568	12,094,722	4,735,144	699,750	278,194	307,306	172,057	617,970	305,664	35,697	942,618	\$ 65,811,690	55,300,644
Maintenance (Schedule)	5,876,160	569,792	1,241,908	15,530	2,067	1,182,055	561,106	426,917	8,922	368,114	12,409	10,264,980	9,083,189
Allocation to restricted reserve funds	492,536	-	-	-	-	163,827	60,000	-	-	391,000	-	1,107,363	260,930
Amortization	19,596	-	-	-	-	1,013,847	6,813	-	-	-	-	1,040,256	1,005,231
Utilities (Schedule)	263,783	-	210,303	-	-	324,547	118,132	7,310	-	15,665	-	939,740	754,852
Insurance and bad debts	131,423	28,884	152,815	176	24	86,862	46,875	39,422	414	36,923	133	523,951	379,579
Property taxes	-	-	-	-	-	295,947	99	-	-	-	-	296,046	288,361
Mortgage interest	-	-	-	-	-	162,786	-	-	-	-	-	162,786	186,912
	52,406,066	12,693,398	6,340,170	715,456	280,285	3,537,177	965,082	1,091,619	315,000	847,399	955,160	80,146,812	67,259,698
Excess of Revenues over Expenditures	\$ 24,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,218	\$ 19,483

See notes to the financial statements

HOMES FIRST SOCIETY

Schedule of Government Funding - City of Toronto
December 31, 2024

	Shelters	Hotel	Supportive Housing	Follow up Support Services	CAMH	Section 106 Various	Section 95 S/B/N	All Saints	Kendleton	Managed Properties	Support for Daily Living	2024	2023
Shelter allocation	\$ 48,759,406	\$ 10,120,170	\$ 4,359,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,000	\$ -	\$ -	\$ 63,554,499	\$ 57,640,134
Other City funding (Note 12)	3,186,423	2,554,493	80,707	-	-	69,080	73,340	-	-	239,341	-	6,203,384	916,542
Housing Services Act Section 106	-	-	-	-	-	2,632,789	-	-	-	-	-	2,632,789	2,534,546
Rent supplement program	-	-	1,031,710	-	-	-	411,413	-	-	-	-	1,443,123	844,465
Support for daily living	-	-	-	-	-	-	-	-	-	-	923,131	923,131	895,201
Assertive follow up support services	-	-	-	715,456	-	-	-	-	-	-	-	715,456	771,700
Emergency hostel funding	220,516	-	-	-	-	-	-	-	-	-	-	220,516	189,940
HHB funding	21,451	-	-	-	-	-	-	44,187	-	-	-	65,638	64,351
	\$ 52,187,796	\$ 12,674,663	\$ 5,472,340	\$ 715,456	\$ -	\$ 2,701,869	\$ 484,753	\$ 44,187	\$ 315,000	\$ 239,341	\$ 923,131	\$ 75,758,536	\$ 63,856,879

See notes to the financial statements

HOMES FIRST SOCIETY**Schedule of Administrative and Program Expenditures
December 31, 2024**

	Shelters	Hotel	Supportive Housing	Follow up Support Services	CAMH	Section 106 Various	Section 95 S/B/N	All Saints	Kendleton	Managed Properties	Support for Daily Living	2024	2023
Salaries and benefits	\$ 30,757,792	\$ 8,718,255	\$ 3,930,382	\$ 663,454	\$ 273,747	\$ 150,869	\$ 75,850	\$ 263,360	\$ 220,732	\$ 9,065	\$ 831,009	\$ 45,894,515	\$ 41,933,743
Tenant services	11,942,806	2,694,251	511,784	3,424	9	7,506	26,855	177,249	3,568	4,409	32,142	15,404,003	9,939,704
Other administrative and program expenditures	2,921,970	682,216	292,978	32,872	4,438	148,931	69,352	177,361	81,364	22,223	79,467	4,513,172	3,427,197
	\$ 45,622,568	\$ 12,094,722	\$ 4,735,144	\$ 699,750	\$ 278,194	\$ 307,306	\$ 172,057	\$ 617,970	\$ 305,664	\$ 35,697	\$ 942,618	\$ 65,811,690	\$ 55,300,644

HOMES FIRST SOCIETY
Schedule of Maintenance Expenditures
December 31, 2024

	Shelters	Hotel	Supportive Housing	Follow up Support Services	CAMH	Section 106 Various	Section 95 S/B/N	All Saints	Kendleton	Managed Properties	Support for Daily Living	2024	2023
Maintenance and repairs	\$ 3,475,331	\$ 22,377	\$ 265,402	\$ 77	\$ 10	\$ 203,780	\$ 73,582	\$ 97,516	\$ 4,005	\$ 36,847	\$ 60	\$ 4,178,987	\$ 4,060,014
Salaries and benefits	1,355,107	455,516	-	14,524	1,933	95,573	48,050	-	-	5,742	11,250	1,987,695	1,547,172
Other maintenance expenditures	590,419	30,206	415,715	885	118	402,541	82,535	116,226	294	64,190	687	1,703,816	1,238,413
Equipment and building	125,768	5,155	422,515	44	6	403,889	337,436	144,942	1,227	252,826	34	1,693,842	1,619,959
Security	329,535	56,538	138,276	-	-	76,272	19,503	68,233	3,396	8,509	378	700,640	617,631
	\$ 5,876,160	\$ 569,792	\$ 1,241,908	\$ 15,530	\$ 2,067	\$ 1,182,055	\$ 561,106	\$ 426,917	\$ 8,922	\$ 368,114	\$ 12,409	\$ 10,264,980	\$ 9,083,189

	\$	105,944	\$	-	\$	179,824	\$	-	\$	-	\$	123,463	\$	84,647	\$	5,807	\$	-	\$	5,641	\$	-	\$	505,326	\$	306,143
Fuel		119,428		-		30,368		-		-		73,567		1,168		1,503		-		6,374		-		232,408		199,939
Water and sewage		38,411		-		111		-		-		127,517		32,317		-		-		3,650		-		202,006		248,770
	\$	263,783	\$	-	\$	210,303	\$	-	\$	-	\$	324,547	\$	118,132	\$	7,310	\$	-	\$	15,665	\$	-	\$	939,740	\$	754,852

HOMES FIRST SOCIETY

Schedule of Shelters

December 31, 2024

	Savard's	Metro	Scarboro	Kennedy	WWC	Lakeshore	Lawrence	101 Placer	2024	2023
Revenues										
Government Funding - City of Toronto										
Shelter allocation	\$ 1,962,099	\$ 7,877,737	\$ 2,122,241	\$ 3,164,172	\$ 14,136,296	\$ 11,983,499	\$ 3,555,247	\$ 3,958,115	\$ 48,759,406	\$ 44,256,494
Other City funding	-	2,910,946	-	104,949	65,659	66,409	16,165	22,295	3,186,423	916,542
Emergency hostel funding	88,188	-	80,014	52,314	-	-	-	-	220,516	157,246
HHB Funding	-	21,451	-	-	-	-	-	-	21,451	64,351
Program funding	-	105,218	-	-	-	-	21,594	-	126,812	189,967
Provincial grants	10,500	10,500	10,875	10,500	10,500	10,500	10,500	10,500	84,375	-
Amortization of deferred capital contributions (Note 8)	19,596	-	-	-	-	-	-	-	19,596	19,596
Deferred contributions	-	-	-	-	6,162	-	-	-	6,162	-
Donations, interest and other	-	-	-	-	5,543	-	-	-	5,543	25,500
Government funding MOHLTC	-	-	-	-	-	-	-	-	-	366,498
United Way	-	-	-	-	-	-	-	-	-	36,888
	2,080,383	10,925,852	2,213,130	3,331,935	14,224,160	12,060,408	3,603,506	3,990,910	52,430,284	46,033,082
Expenditures										
Administrative and Program										
Salaries and benefits	1,425,521	6,966,410	1,306,445	2,176,529	7,492,690	6,429,004	2,527,518	2,433,675	30,757,792	28,515,542
Tenant services	115,800	3,124,056	168,059	187,773	4,250,233	3,293,095	431,026	372,764	11,942,806	8,955,637
Other administrative and program	196,331	472,178	233,672	271,423	791,036	504,872	178,212	274,246	2,921,970	2,350,198
Maintenance										
Maintenance and repairs	100,372	18,400	188,350	206,253	1,307,441	1,186,475	248,295	219,745	3,475,331	3,620,477
Salaries and benefits	105,294	286,837	94,315	172,064	185,640	305,224	101,612	104,121	1,355,107	1,041,906
Other maintenance expenditures	39,964	17,846	64,120	162,436	105,497	97,216	48,199	55,141	590,419	527,335
Security	20,493	13,721	17,889	26,270	44,048	178,847	12,771	15,496	329,535	386,170
Equipment and building	14,931	6,072	5,275	29,373	11,790	25,065	21,763	11,499	125,768	206,319
Allocation to restricted reserve funds	-	-	-	-	-	-	-	492,536	492,536	-
Utilities (Schedule)	28,848	-	127,113	85,505	-	-	22,317	-	263,783	241,591
Insurance and bad debts	10,410	20,332	6,581	9,945	35,785	29,362	9,588	9,420	131,423	148,828
Amortization	19,596	-	-	-	-	-	-	-	19,596	19,596
	2,077,560	10,925,852	2,211,819	3,327,571	14,224,160	12,049,160	3,601,301	3,988,643	52,406,066	46,013,599
Excess of Revenues over Expenditures	\$ 2,823	\$ -	\$ 1,311	\$ 4,364	\$ -	\$ 11,248	\$ 2,205	\$ 2,267	\$ 24,218	\$ 19,483

HOMES FIRST SOCIETY**Schedule of Hotels****December 31, 2024**

	Delta	Strathcona	2024	2023
Revenues				
Government Funding - City of Toronto				
Shelter allocation	\$ 10,120,170	\$ -	\$ 10,120,170	\$ 10,935,678
Other City funding	2,554,493	-	2,554,493	-
Emergency hostel funding	-	-	-	32,694
Provincial grants	10,500	-	10,500	-
Deferred contributions	8,235	-	8,235	-
	12,693,398	-	12,693,398	10,968,372
Expenditures				
Administrative and Program				
Salaries and benefits	8,718,255	-	8,718,255	9,651,621
Tenant services	2,694,251	-	2,694,251	209,050
Other administrative and program	682,216	-	682,216	563,965
Maintenance				
Salaries and benefits	455,516	-	455,516	367,342
Security	56,538	-	56,538	72,607
Other maintenance expenditures	30,206	-	30,206	20,072
Maintenance and repairs	22,377	-	22,377	29,250
Equipment and building	5,155	-	5,155	30,098
Insurance and bad debts	28,884	-	28,884	24,367
	12,693,398	-	12,693,398	10,968,372
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -

HOMES FIRST SOCIETY
Schedule of Supportive Housing
December 31, 2024

	Dundalk	Spadina	2024	2023
Revenues				
City of Toronto				
Shelter allocation	\$ 2,571,736	\$ 2,900,604	\$ 5,472,340	\$ 2,923,780
Revenues from tenants	257,190	480,759	737,949	397,524
Deferred contributions	3,451	74,610	78,061	-
Non-rental income	2,941	27,879	30,820	-
Provincial grants	10,500	10,500	21,000	-
	2,845,818	3,494,352	6,340,170	3,321,304
Expenditures				
Administrative and program				
Salaries and benefits	2,030,200	1,900,182	3,930,382	1,977,253
Tenant services	211,580	300,204	511,784	602,417
Other administrative and program	193,721	99,257	292,978	244,024
Maintenance				
Equipment and building	28,517	393,998	422,515	70,237
Other maintenance expenditures	80,791	334,924	415,715	203,342
Maintenance and repairs	129,007	136,395	265,402	92,759
Security	41,285	96,991	138,276	45,465
Utilities	81,499	128,804	210,303	15,600
Insurance and bad debts	49,218	103,597	152,815	70,207
	2,845,818	3,494,352	6,340,170	3,321,304
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -

HOMES FIRST SOCIETY
Statement of Cash Flows
Year ended December 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 24,218	\$ 19,483
Items not involving cash		
Amortization	1,040,256	1,005,861
Amortization of deferred capital contributions	(19,596)	(19,596)
	1,044,878	1,005,748
Change in non-cash working capital items		
Accounts receivable	(474,006)	(293,747)
Government funding receivable	2,357,388	(2,931,859)
Prepays	(119,010)	(80,427)
Accounts payable and accrued liabilities	(2,609,439)	3,641,711
Government remittances payable	(19,189)	(19,279)
Payable to the City of Toronto	815,354	234,578
Advances to Homes First Foundation	54,042	(118,386)
Deferred contributions	(1,529,397)	(333,924)
Cash (Used in) Provided by Operating Activities	(479,379)	1,104,415
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(348,607)	-
Cash Provided by Investing Activities	(348,607)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgages payable	(1,013,847)	(986,265)
Cash Used In Financing Activities	(1,013,847)	(986,265)
(Decrease) increase in cash and cash equivalents	(1,841,833)	118,150
Cash and cash equivalents, beginning of year	8,074,276	7,956,126
Cash and cash equivalents, end of year	\$ 6,232,443	\$ 8,074,276

PURPOSE AND NATURE OF THE ORGANIZATION

The Society is a not-for-profit organization incorporated under The Corporations Act (Ontario) as a corporation without share capital and is registered with the Canada Revenue Agency as a charity within the meaning of the Income Tax Act.

The primary purpose of the Society is to provide permanent and affordable housing and transitional support services to those with the fewest housing options in our community.

In accordance with its operating and funding agreements with the funders listed below, the Society receives funding to provide subsidized housing and transitional support services to its tenants and their families.

City of Toronto

Canada Mortgage and Housing Corporation (CMHC)

Ontario Ministry of Health and Long Term Care (MOHLTC)

The Society is dependent on these funders for its continued operation.

The specified users of these financial statements are as follows:

City of Toronto

Canada Mortgage and Housing Corporation (CMHC)

Ontario Ministry of Health and Long Term Care (MOHLTC)

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the financial reporting provisions of the operating agreements between the Society and the specified users. The significant policies are detailed as follows.

(a) Basis of accounting

The basis of accounting used in these financial statements differ from Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations in the following ways:

- (i) Capital assets and assets under capital lease related to programs funded by the City of Toronto Social Housing Unit other than 1322 Bloor Street West, 75 Northcote Avenue and 57 Brandon Avenue are recorded at cost. Amortization includes amortization of land and is equal to the amount of principal repaid on the corresponding mortgages rather than the useful lives of the related assets. Consequently the related assets are not tested for impairment.
- (ii) Major repairs, upgrades and expenditures and replacement of property and equipment are funded as an allocation from the externally restricted reserves.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(iii) Allocations to the restricted reserves are made through the statement of operations rather than statement of changes in fund balances.

(iv) Long-term land leases have been treated as capital leases rather than operating leases.

(b) Consolidation

Homes First Foundation (Foundation), which is controlled by the Society as a result of the Society's significant economic interest in the Foundation, is not consolidated in the Society's financial statements. The Society has chosen to disclose the total assets, liabilities and net assets as its year end as well as the revenues and expenditures for the period.

(c) Fund accounting

The accounts of the Society are maintained in accordance with the principles of fund accounting by which resources for various purposes are classified for accounting and reporting purposes into funds relating to the specific activities and operations. These funds are as follows:

(i) Externally restricted reserve funds

The Society is required by several agreements with its funders to maintain replacement reserve funds. The cash and investments in the funds are restricted and can only be used for capital expenditures as defined by the agreements. These funds consist of monies held in Guaranteed Investment Certificates as well as funds administered by an investment manager at Worldsource Financial Management Inc.

(ii) Internally restricted reserve fund

Internally restricted reserve funds are to be used to fund major repairs and maintenance projects at locations which have no established specific reserve account, as approved by the Board of Directors.

(iii) Unrestricted Fund

The unrestricted Fund accounts for Society's rental, administrative and support activities.

(d) Revenue recognition

The Society uses the restricted fund method of accounting for its revenue contributions in which contributions for which there is an appropriate restricted fund are recognized as revenue when received. Restricted contributions for which there is not an appropriate restricted fund are recognized in accordance with the deferral method whereby contributions related to expenditures of future periods are deferred and recognized as revenue in the operating fund in the period in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tenant rentals and other revenue are recognized as earned in the operating fund.

Investment income is recognized as it is earned in the appropriate fund.

The City of Toronto provides subsidies to assist the organization's operations. The annual subsidy is subject to revision upon filing of the Annual Information Return for private non-profit housing corporations.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Cash and cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition.

(f) Capital assets

Capital assets are accounted for at cost. Contributed property and equipment are recorded at their fair value at the date of the donation. Except for the City of Toronto Social Housing Unit funded properties described in Note 1(a)(i), capital assets are amortized following the straight line method over their estimated useful lives as follows:

Buildings	25 years
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(g) Impairment of long-lived assets

Capital assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(h) Deferred and restricted capital contributions

The Society received funding for the purpose of acquiring capital assets. The contributions are recognized as revenue on the same basis as those used to amortize the property and equipment. The unamortized portion of the contribution is shown on the statement of financial position as deferred capital contributions.

(i) Contributed services

The Society would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

(j) Allocation of expenditures

The Society engages in housing and transitional support services. The costs of each program includes the costs of personnel and other expenditures that are directly related to providing the services. The Society also incurs other expenditures that are common to the management and operations of the organization and each of its programs.

The Society allocates certain of its maintenance and administration expenditures by identifying the appropriate basis of allocating each component expenditures, and applies the basis consistently each year based on assumptions made by management. These costs are included in the revenues and expenditures per the schedules attached to the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Financial instruments

Measurement of Financial Instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the respective fund.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and government funding receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payable to the City of Toronto and mortgages payable.

Financial assets measured at fair value include restricted investments.

Impairment

For financial assets measured at amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures in the respective fund. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures in the respective fund.

(l) Use of estimates

The preparation of financial statements in accordance with the financial reporting provisions of the operating agreements between the Society and the specified user organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenditures for the period covered.

The main estimates relate to the impairment of financial assets, the estimated useful life of property and equipment other than funded properties, allowance for doubtful accounts, the provision for the repayment of subsidies and accrued liabilities.

HOMES FIRST SOCIETY
Notes to the Financial Statements
December 31, 2024

2. CASH AND CASH EQUIVALENTS AND RESTRICTED INVESTMENTS

	2024	2023
Cash and Cash Equivalents		
Cash	\$ 1,371,584	\$ 1,407,252
Guaranteed investment certificates	7,013,027	8,385,027
Due to restricted investments	(2,152,168)	(1,718,003)
	6,232,443	8,074,276
Restricted Investments		
Bond funds	1,193,965	1,141,603
Equity funds	658,232	492,593
Due from operating account	2,152,168	1,718,003
	4,004,365	3,352,199
Total	\$ 10,236,808	\$ 11,426,475

3. ACCOUNTS RECEIVABLE

	2024	2023
HST rebate receivable	1,661,003	1,137,318
Rent receivable	178,170	201,735
Allowance for doubtful accounts	(155,253)	(129,139)
Total	\$ 1,683,920	\$ 1,209,914

4. ADVANCES TO HOMES FIRST FOUNDATION

The advances to the related party represent funds advanced from the Society. These advances are non interest bearing and are due on demand.

HOMES FIRST SOCIETY
Notes to the Financial Statements
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5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2024	2023
Land and buildings (City of Toronto Social Housing Unit funded)				
50 Earl Street	\$ 2,657,576	\$ 1,809,039	\$ 848,537	\$ 987,512
87 Bellevue Avenue	3,320,114	2,613,796	706,318	891,518
434 Gerrard Street	1,970,878	1,385,980	584,898	668,348
175 Vaughan Road	3,813,767	3,656,377	157,390	363,355
29 Wales Avenue	492,999	470,116	22,883	55,642
90 Shuter Street	3,102,881	3,102,880	1	1
	15,358,215	13,038,188	2,320,027	2,966,376
1322 Bloor Street West				
Land	257,550	-	257,550	257,550
Building	488,929	435,175	53,754	73,350
	746,479	435,175	311,304	330,900
490 Huron Street				
Land	121,499	-	121,499	-
Building	550,000	550,000	-	-
	671,499	550,000	121,499	-
75 Northcote Avenue				
Land	34,036	-	34,036	-
Building	102,108	4,084	98,024	-
	136,144	4,084	132,060	-
57 Brandon Avenue				
Land	22,741	-	22,741	-
Building	68,223	2,729	65,494	-
	90,964	2,729	88,235	-
Total	\$ 17,003,301	\$ 14,030,176	\$ 2,973,125	\$ 3,297,276

490 Huron Street

In March 1988, the Society entered into a land lease agreement with the City of Toronto Non-Profit Housing Corporation for the land on which the building at 490 Huron Street is situated. During the current year, the Society entered into an agreement to terminate the land lease and purchase the land.

HOMES FIRST SOCIETY
Notes to the Financial Statements
December 31, 2024

6. ASSETS UNDER CAPITAL LEASE

	Cost	Accumulated Amortization	2024	2023
800 Adelaide St. West	\$ 7,231,220	\$ 6,663,612	\$ 567,608	\$ 911,492
490 Huron Street	-	-	-	23,615
	7,231,220	6,663,612	567,608	935,107
53 Strachan - leasehold improvements	4,070,985	4,070,984	1	1
Total	\$ 11,302,205	\$ 10,734,596	\$ 567,609	\$ 935,108

As a condition of the mortgage subsidies received for these properties, the Society may not sell or otherwise dispose of any or all of the property and equipment without the prior written consent of the City of Toronto.

Leasehold Interest

(a) 800 Adelaide St. West

The Society entered into a lease agreement with the City of Toronto, wherein the land has been leased by the Society for a term of ninety-nine (99) years commencing on the 1st day of September, 1989 and ending on the last day of August 2088.

Consideration for the entire term was paid and is capitalized as the cost of land.

(b) 53 Strachan House

The Society entered into a lease agreement with the City of Toronto, wherein the land and buildings have been leased by the Society for a term of five (5) years commencing on the 1st day of May, 2003 and ending on the last day of April 2008.

The lease is continuing on a month to month basis.

7. DEFERRED CONTRIBUTIONS

	2024	2023
Balance, beginning of year	\$ 2,309,071	\$ 2,642,995
Amounts of grants and donations received	58,272,846	50,993,978
Amount recognized as revenue	(59,802,243)	(51,327,902)
Total	\$ 779,674	\$ 2,309,071

As at December 31, 2024, \$657,810 (2023 - \$2,083,034) are intended to fund general operations, but are restricted as to the period of use, and \$121,864 (2023 - \$226,037) was intended for other purposes.

HOMES FIRST SOCIETY
Notes to the Financial Statements
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8. DEFERRED CAPITAL CONTRIBUTIONS

	2024		2023	
Balance, beginning of year	\$	71,564	\$	91,160
Amortization of deferred capital contributions		(19,596)		(19,596)
Balance, end of year	\$	51,968	\$	71,564
Consists of:				
CMHC - land purchase and construction - 1322 Bloor Street West Savard's	\$	640,949	\$	640,949
Portion of contributions relating to land recognized as a direct increase in net assets invested in property and equipment		(257,550)		(257,550)
Accumulated amortization		(331,431)		(311,835)
Total	\$	51,968	\$	71,564

9. RESTRICTED CONTRIBUTION

The balance includes an amount of \$100,000 received from The Toronto Real Estate Board to purchase a residence to house homeless families. In 2003, the Society spent \$10,963 on a feasibility study to determine whether an existing property could be expanded for housing. The remaining amount consists of interest earned on the funds. The amount continues to be held until the board of directors locates a suitable project to apply the funds towards.

HOMES FIRST SOCIETY
Notes to the Financial Statements
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10. MORTGAGES PAYABLE

	2024	2023
50 Earl Street - 3.802%, repayable in blended monthly installments of \$15,540, maturing December 2029	\$ 848,537	\$ 987,512
87 Bellevue Avenue - 6.232%, repayable in blended monthly installments of \$19,540, maturing April 2028	706,319	891,518
434 Gerrard Street - 2.75%, repayable in blended monthly installments of \$8,390, maturing April 2027	584,898	668,348
800 Adelaide St. West - 5.890%, repayable in blended monthly installments of \$31,637, maturing June 2026	544,052	887,936
175 Vaughan Road - 2.15%, repayable in blended monthly installments of \$17,644, maturing September 2025	157,390	363,355
29 Wales Avenue - 5.67%, repayable in blended monthly installments of \$2,921, maturing August 2025.	22,883	55,642
490 Huron Street - 6.50%, repayable in blended monthly installments of \$2,694, matured September 2024	-	23,615
	2,864,079	3,877,926
Less current portion	976,674	2,428,321
Due beyond one year	\$ 1,887,405	\$ 1,449,605
Estimated principal re-payments are as follows:		
2025	\$ 976,674	
2026	646,413	
2027	802,111	
2028	256,154	
2029	182,727	
	\$ 2,864,079	

Security

Each mortgage is secured by a first charge on the related property, an assignment of rents and leases and a general security agreement securing all goods, equipment, chattels, fixtures and appliances located on the respective properties.

HOMES FIRST SOCIETY
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11. RESERVE EXPENDITURES

The City of Toronto replacement reserve expenditures consist of the following:

	2024		2023	
Ontario Housing Services Act - Section 106				
Windows	\$	631,965	\$	-
Elevator		49,555		-
Concrete patios		18,667		-
Retaining walls		4,513		-
Property Restoration		-		99,946
	\$	704,699	\$	99,946

12. OTHER CITY FUNDING

	2024		2023	
Catering Contract Funding	\$	5,465,439	\$	-
Canada-Ontario Community Housing Initiative (COCHI)		312,681		-
Repayment of expenses		170,527		166,255
Enhanced Case Management funding		104,949		530,287
Small Capital Funding		69,080		-
CST Pilot Program		60,445		-
Housing Service		20,262		-
Infection prevention and control		-		140,000
Shelter COVID payment		-		80,000
	\$	6,203,384	\$	916,542

HOMES FIRST SOCIETY
Notes to the Financial Statements
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13. HOMES FIRST FOUNDATION

The Society is the sole member of Homes First Foundation. The Foundation's purpose is to support the long-term financial viability and continued housing supply for the Society. The Foundation was incorporated on November 7, 2001 under the Canada Corporations Act and is a charitable organization within the meaning of the Income Tax Act.

The Foundation's audited financial statements are summarized as follows:

	2024	2023
Statement of Financial Position		
Total assets	\$ 1,145,607	\$ 1,048,323
Total liabilities	188,016	244,785
Net assets	957,591	803,538
	\$ 1,145,607	\$ 1,048,323
Statement of Operations		
Revenues		
Donations and fundraising	\$ 490,615	\$ 586,153
Interest	22,272	1,872
	512,887	588,025
Expenditures		
Wages and benefits	152,400	124,611
Event	112,555	107,029
Donations to Homes First Society	81,116	-
Administrative overhead	12,763	11,492
	358,834	243,132
Excess of revenues over expenditures	\$ 154,053	\$ 344,893
Statement of Cash Flows		
Cash flow from operating activities		
Excess of revenues over expenditures	\$ 154,053	\$ 344,893
Net change in non cash working capital items	(55,074)	98,514
Cash provided by operating activities	98,979	443,407
Cash flow from investing activities		
Cash used in investing activities	(500,000)	(500,000)
Net decrease in cash	(401,021)	(56,593)
Cash, beginning of year	473,849	530,442
Cash, end of year	\$ 72,828	\$ 473,849

14. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to its government funding receivable, HST rebate receivable and rent receivable. There has been no change to the risk exposure from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society's exposure is dependent on its ability to repay trade creditors and long term debt as they become due. The Society expects to meet these obligations as they come due by generating sufficient cash flow from operations combined with the receipt of monthly subsidies from its funders. There has been no change to the risk exposure from the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk and other price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the Society to risk of changes in fair value. The exposure to this risk also fluctuates as the quantity of fixed rate instruments held changes from year to year.

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investments in marketable securities for which the value fluctuates with the quoted market price.

15. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
