

ST. MICHAEL'S HOMES

FINANCIAL STATEMENTS

MARCH 31, 2026

HILBORN  **LLP**



Independent Auditor's Report

To the Members and Board of Directors of St. Michael's Homes

Opinion

We have audited the financial statements of St. Michael's Homes (the "Homes"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets 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 Homes as at March 31, 2026, and the results of its 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 report. We are independent of the Homes 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 ability of the Homes 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 Homes or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Homes.

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.



Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 internal control of the Homes.
- 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 ability of the Homes 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 Homes 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink that reads "Hilborn LLP".

Toronto, Ontario
June 24, 2026

Chartered Professional Accountants
Licensed Public Accountants

ST. MICHAEL'S HOMES**Statement of Financial Position**

March 31	2026 \$	2025 \$
ASSETS		
Current assets		
Cash	2,207,972	651,484
Marketable securities (note 4)	2,586,973	286,712
Accounts receivable	1,192,554	562,069
Prepaid expenses	104,085	67,918
	6,091,584	1,568,183
Long-term assets		
Property and equipment (note 5)	2,563,635	2,414,537
Marketable securities segregated for replacement reserves (notes 4 and 6)	1,038,057	1,178,919
	3,601,692	3,593,456
	9,693,276	5,161,639
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	1,015,546	464,413
Deferred revenue (note 9)	1,395,803	834,620
Current portion of long term debt (note 10)	-	148,382
	2,411,349	1,447,415
Long term liabilities		
Deferred capital contributions (note 11)	705,183	595,428
	3,116,532	2,042,843
NET ASSETS		
Accumulated operating surplus	3,447,308	1,131,135
Tracy William Doyle Residents' Needs Reserve	87,117	87,117
Contingency reserve fund	324,147	324,147
Accumulated capital contributions	397,478	397,478
Replacement reserves (note 6)	1,038,057	1,178,919
Capital fund (note 2)	82,637	-
Working reserve (note 2)	1,200,000	-
	6,576,744	3,118,796
	9,693,276	5,161,639

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Signed by:

Dr. Leanne Tran

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Director

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Jessica Stansfield

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ST. MICHAEL'S HOMES**Statement of Operations**

Year ended March 31	2026 \$	2025 \$
Revenues		
Operating grants (note 12)	7,015,635	3,812,204
Room and board charges	264,596	253,109
Donations	1,028,561	61,092
Donations in kind - rent-free facilities (note 14)	360,000	-
Investment income	219,595	68,852
	8,888,387	4,195,257
Expenses		
Salaries and employee benefits (note 13)	5,460,192	2,629,038
Food services	578,141	279,008
Maintenance and repairs - operations	411,628	264,194
Rent (note 14)	553,577	38,088
Depreciation	130,870	94,032
Personal needs	251,906	106,289
Professional fees	708,752	327,563
Utilities	161,427	140,268
Office, telephone and stationery	261,407	106,496
Mortgage interest	4,967	15,127
Insurance	59,549	59,206
	8,582,416	4,059,309
Excess of revenues over expenses for the year	305,971	135,948

The accompanying notes are an integral part of these financial statements

ST. MICHAEL'S HOMES

Statement of Changes in Net Assets

Year ended March 31

	2026							
	Operating Fund \$	T.W. Doyle Residents' Needs Reserve \$	Contingency Reserve Fund \$	Capital Contributions \$	Replacement Reserves (note 6) \$	Capital Fund (note 2) \$	Working Reserve (note 2) \$	Total \$
Balance - at beginning of year	1,131,135	87,117	324,147	397,478	1,178,919	-	-	3,118,796
Net assets recognized on integration with Haven Toronto (note 2)	1,926,560	-	-	-	-	25,417	1,200,000	3,151,977
Excess of revenues over expenses for the year	320,759	-	-	-	-	(14,788)	-	305,971
Inter-fund transfers representing:								
Reserve subsidies	(18,285)	-	-	-	18,285	-	-	-
Reserve interest	(16,127)	-	-	-	16,127	-	-	-
Inter-fund transfer (note 6)	175,274	-	-	-	(175,274)	-	-	-
Purchase of capital assets	(72,008)	-	-	-	-	72,008	-	-
Balance - at end of year	3,447,308	87,117	324,147	397,478	1,038,057	82,637	1,200,000	6,576,744

	2025					
	Operating Fund \$	T.W. Doyle Residents' Needs Reserve \$	Contingency Reserve Fund \$	Capital Contributions \$	Replacement Reserves (note 6) \$	Total \$
Balance - at beginning of year	1,014,643	87,117	324,147	397,478	1,159,463	2,982,848
Excess of revenues over expenses for the year	135,948	-	-	-	-	135,948
Inter-fund transfers representing:						
Reserve subsidies	(18,285)	-	-	-	18,285	-
Reserve interest	(27,829)	-	-	-	27,829	-
Ministry of Health	(80,400)	-	-	-	80,400	-
Inter-fund transfer	107,058	-	-	-	(107,058)	-
Balance - at end of year	1,131,135	87,117	324,147	397,478	1,178,919	3,118,796

The accompanying notes are an integral part of these financial statements

ST. MICHAEL'S HOMES**Statement of Cash Flows**

Year ended March 31	2026 \$	2025 \$
Cash flows from operating activities		
Cash received from Ontario Health & Ministry of Health	3,258,600	2,411,896
Cash received from Catholic Charities	753,449	585,933
Cash received from residents	259,218	271,156
Cash received from other contributors	757,174	847,309
Cash received from City of Toronto	470,836	-
Cash received for Hart Hub	1,407,892	-
Investment income received	115,759	78,057
Donations received	935,433	61,092
Cash paid to employees and suppliers	(7,639,968)	(3,883,115)
Mortgage interest paid	(4,967)	(15,127)
	313,426	357,201
Cash flows from financing activities		
Repayment of long term debt	(148,382)	(146,864)
Cash flows from investing activities		
Purchase of property and equipment	(252,550)	(107,058)
Capital contributions received	133,607	-
Purchase of marketable securities	(13,033)	(735,796)
Proceeds on redemption of marketable securities	756,000	1,007,958
Cash received on integration with Haven Toronto	767,420	-
	1,391,444	165,104
Net change in cash	1,556,488	375,441
Cash, beginning of year	651,484	276,043
Cash, end of year	2,207,972	651,484

The accompanying notes are an integral part of these financial statements

ST. MICHAEL'S HOMES

Notes to Financial Statements

March 31, 2026

Nature of operations

The vision of St. Michael's Homes (the "Homes") is: Individuals with mental health and substance use challenges living healthy, meaningful, and connected lives.

The Homes provide an integrated and holistic continuum of care to enhance quality of life for individuals living with the challenges associated with addiction.

The Homes are incorporated as a not-for-profit corporation without share capital under the laws of Ontario. The Homes are a registered charitable organization under the Income Tax Act (Canada), and as such are generally exempt from income taxes.

On January 1, 2020, the Homes combined with Our Place Community of Hope ("OPCOH") under an integration and transfer agreement. The integrated organization continued under the name of St. Michael's Homes. As a result of the integration, the Homes now offer social and recreational programs for people living with mental illness.

Effective April 1, 2025, the Homes integrated with Good Neighbour's Club o/a Haven Toronto ("Haven Toronto") under an integration and transfer agreement. As a result of the integration, Haven Toronto transferred its assets, programs, liabilities and obligations to the Homes, enabling the Homes to expand their services supporting homeless and marginally housed elderly men.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below.

(a) Basis of presentation

The operating fund accounts for the day-to-day service delivery activities of the Homes.

The following are Board designated funds:

The Tracy William Doyle Residents' Needs Reserve Fund is to be used for residents' needs.

The Contingency Reserve Fund is used for strategic and operating purposes including program enhancements, training, infrastructure and covering operating expenses in the event of unanticipated financial expenditures or occurrences with submission of budgets and approval by the Board of Directors.

The Capital Contributions Fund is to be used for renovations and capital expenditures.

The Capital Fund reports the assets, liabilities, revenues and expenses related to capital assets held by Haven Toronto.

The purpose of the Working Reserve Fund is to set aside Haven Toronto's funds approximately 8 months of operating expenses to:

- i) Ensure proper resolution of any debts;
- ii) Risk management purposes;
- iii) Have funds available if required for the closure of the organization;
- iv) Have for any significant unanticipated Board approved purchases such as a new program or capital purchase.

ST. MICHAEL'S HOMES

Notes to Financial Statements (continued)

March 31, 2026

1. Significant accounting policies (continued)

(a) Basis of presentation (continued)

Replacement Reserves are maintained pursuant to agreements with Canada Mortgage and Housing Corporation and the Ministry of Health. For additional details, refer to note 6.

(b) Financial instruments

(i) Measurement of financial instruments

The Homes initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Homes subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at fair value include marketable securities.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities..

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment at the end of each reporting period. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- The present value of the cash flows expected to be generated by the assets or group of assets:
- The amount that could be realized by selling the assets of group of assets;
- The net realizable value of any collateral held to secure repayment of the assets or group of assets.

ST. MICHAEL'S HOMES

Notes to Financial Statements (continued)

March 31, 2026

1. Significant accounting policies (continued)

(ii) Impairment (continued)

When the events occurring after the impairment event confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(c) Revenue recognition

Contributions

The Homes follow the deferral method of accounting for contributions which include donations, government grants and other contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in a subsequent period.

Room and Board Charges

Room and board charges are recorded in the period in which the accommodation and services are provided. Charges received in advance are deferred and recognized in the period to which they pertain.

Investment Income

Investment income is comprised of interest, distributions, dividends and realized and unrealized gains and losses from investment transactions. Interest income is recorded when earned. Distributions and dividends are recorded as revenue when declared. Realized gains and losses are recognized when the transactions occur. Unrealized gains and losses which reflect the changes in fair value during the period are recognized at each reporting date and included in current period income.

(d) Government funding

Ontario Health, the Ministry of Health, and the City of Toronto provide funding for the operations of the Homes pursuant to applicable funding agreements and approved budgets. Certain funding is subject to reconciliation based on actual operating results or eligible expenditures, and any excess funding may be repayable to the respective funder. These financial statements reflect management's estimate of any amounts due to or from the funders at the end of the fiscal year.

(e) Marketable securities

Marketable securities are comprised of guaranteed investment certificates, principal protected note and money market funds, which are recorded at amortized cost, and mutual funds and equities, which are recorded at fair value.

ST. MICHAEL'S HOMES

Notes to Financial Statements (continued)

March 31, 2026

1. Significant accounting policies (continued)

(f) Property and equipment

The costs of property and equipment are capitalized upon meeting the criteria for recognition as property and equipment. Otherwise, costs are expensed as incurred. The cost of property and equipment comprises its purchase price and any directly attributable costs of preparing the asset for its intended use.

Property and equipment is presented at cost and depreciated on a straight line basis over their estimated useful lives at the following annual rates:

Buildings	2 1/2%
Equipment, furniture and furnishings	20%
Computers	33 1/3%
Automobiles	20%
Leasehold improvements	term of lease

Items of property and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any potential impairment is identified, then the amount of the impairment is quantified by comparing the carrying value of the property and equipment to its fair value. Any impairment of property and equipment is charged to income in the period in which the impairment occurs.

An impairment loss is not reversed if the fair value of the property and equipment subsequently increases.

(g) Deferred capital contributions

Externally restricted contributions for the purchase of capital assets that will be depreciated are deferred and amortized over the life of the related capital assets. Externally restricted contributions for the purchase of capital assets that will not be depreciated are recognized as a direct increase in net assets. Externally restricted capital contributions that have not been expended are recorded as part of deferred capital contributions on the balance sheet.

(h) Pension cost

Effective January 1, 2020, the Homes contribute to a pension plan under Colleges of Applied Arts and Technology DBPlus Pension Plan (the "Plan"). This plan covers substantially all of the Homes' employees.

In accordance with CPA Handbook section 3642, the multi-employer defined benefit plan uses defined contribution plan accounting due to the insufficiency of information available for defined benefit plan accounting.

The Homes' policy is to expense the contributions made to the Plan as described in note 13. The pension expense for the year consists of payments for current service costs and special payments for any unfunded liabilities.

ST. MICHAEL'S HOMES

Notes to Financial Statements (continued)

March 31, 2026

1. Significant accounting policies (continued)

(i) Contributed goods and services

Volunteers contribute significant amounts of time to assist the Homes in carrying out its service delivery activities. The Homes also receives donations of goods and services. Contributed goods and services are generally not recognized in the financial statements because of the difficulty in determining their fair value. Other items with a determinable fair market value are included as donations in kind with a corresponding amount charged to expenses.

(j) Use of estimates

The preparation of financial statements in conformity 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, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year changes occur. Key areas subject to estimates are the useful lives of property and equipment. Actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

2. Integration with Haven Toronto

The Homes entered into an integration and transfer agreement dated September 30, 2024, with Good Neighbour's Club o/a Haven Toronto ("Haven Toronto"). Under the agreement, both organizations determined it was in their mutual interest and in furtherance of their respective missions to integrate their activities and operations under a single organization.

Effective April 1, 2025, Haven Toronto transferred all assets, programs, liabilities and obligations to the Homes, and the Homes assumed all liabilities and obligations of Haven Toronto.

Haven Toronto was a not-for-profit organization that provided services, programs and facilities supporting the health, welfare, socialization and recreation of homeless and marginally housed elderly men.

The integration and transfer agreement was accounted for using the acquisition method. The identifiable assets acquired and liabilities assumed were recognized at their fair values as of April 1, 2025, as follows:

Cash	\$ 767,420
Accounts receivable	12,900
HST receivable	34,146
Prepaid expenses	11,509
Investments	2,795,336
Capital assets	27,418
Accounts payable and accrued liabilities	(435,568)
Deferred revenue	(59,184)
Deferred capital contribution	(2,000)
Net assets	<u>\$ 3,151,977</u>

The net assets consists of: Operating Fund \$1,926,560; Capital Fund \$25,417 and Working Reserve \$1,200,000.

ST. MICHAEL'S HOMES

Notes to Financial Statements (continued)

March 31, 2026

3. Financial instrument risk management

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 following information assists the users of the financial statements in assessing the extent of risk related to financial instruments.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Homes' main credit risk relates to its accounts receivable. The Homes mitigates credit risk by monitoring the accounts on a regular basis. The Homes are not exposed to significant credit risks.

Liquidity risk

Liquidity risk is the risk that the Homes cannot repay its obligations when they become due to its creditors. The Homes are exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Homes expect to meet these obligations as they come due from the operating grants it receives from its funders and by generating sufficient cash flow from operations.

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 Homes is not exposed to significant currency risk. The Homes is exposed to interest rate and other price risks.

i) Interest rate risk

Interest rate risk arises from the possibilities that changes in interest rates will affect the value of fixed income securities held by the Homes. The value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise. The Homes is exposed to interest rate risk on its guaranteed investment certificates and bank credit facilities.

ii) Other price risk

The Homes is exposed to other price risk, which is the potential loss that the Homes may incur with respect to the changes in fair value of investments. The fair value of investments will fluctuate because of changes in market price, whether those changes are caused by factors specific to the individual investments, or its issuers or factors affecting all investments traded in the market. The Homes is exposed to price risk on its equity investments.

Changes in risk

There have been no significant changes in the Homes' exposure to financial instrument risks from that of the prior year, except that interest rate risk has decreased as a result of the repayment of long-term debt.

ST. MICHAEL'S HOMES**Notes to Financial Statements (continued)**

March 31, 2026

4. Marketable securities

Marketable securities are represented by:

	2026	2025
	\$	\$
Marketable securities	2,586,973	286,712
Marketable securities segregated for replacement reserves	1,038,057	1,178,919
	3,625,030	1,465,631

Details of marketable securities are as follows:

	2026	2025
	\$	\$
Guaranteed Investment Certificates, interest rates from 1.72 to 5.28%, maturing from May 2026 to March 2027 (March 31, 2025 - interest rates from 1.49 to 1.53%, maturing in September 2025)	759,100	240,000
Guaranteed Investment Certificates, interest rates from 3.35% to 5.04%, maturing from May 2027 to March 2030 (March 31, 2025 - interest rates from 1.72% to 5.28%, maturing from May 2026 to July 2028)	1,472,222	740,322
Mutual funds/segregated funds	394,425	386,072
Province of Alberta promissory note, interest rate of 3.05%, maturing in April 2025	-	99,237
Principal protected note maturing October 2027	759,080	-
CIBC High Interest Savings Account	240,203	-
	3,625,030	1,465,631

Investment Risk Management

Risk management relates to the understanding and active management of risks associated with all areas of the Homes' activities and operations. Investments are primarily exposed to interest rate and price risks. The Homes has formal policies and procedures for investment transactions and the majority of investments are made on the advice of the investment advisor.

ST. MICHAEL'S HOMES**Notes to Financial Statements (continued)**

March 31, 2026

5. Property and equipment

	2026		
	Cost	Accumulated	Net Book
	\$	Amortization	Value
	\$	\$	\$
Land	1,339,155	-	1,339,155
Buildings	3,232,496	2,103,500	1,128,996
Equipment, furniture and furnishings	406,425	316,961	89,464
Automobiles	44,208	38,188	6,020
	5,022,284	2,458,649	2,563,635
	2025		
	Cost	Accumulated	Net Book
	\$	Amortization	Value
	\$	\$	\$
Land	1,339,155	-	1,339,155
Buildings	3,057,222	1,997,330	1,059,892
Equipment, furniture and furnishings	212,342	206,674	5,668
Automobiles	44,208	34,386	9,822
	4,652,927	2,238,390	2,414,537

6. Replacement reserves

Pursuant to agreements with Canada Mortgage and Housing Corporation and Ministry of Health, the Homes maintain reserve funds which are to be used to pay for the replacement of capital equipment and for major repairs. The amounts segregated for this purpose are either set out in the agreements or negotiated annually. Subsidies and investment income on reserve funds are added to the accumulated balance and major repairs are deducted from the accumulated balance as inter-fund transfers. During the year, the Board of Director has approved a transfer in the amount of \$175,274 (2025 - \$107,058) from the Replacement Reserves fund to the Operating Fund to cover major repairs and maintenance expenses during the 2026 fiscal year.

7. Bank credit facilities

The Homes have total approved credit facilities to a maximum of \$65,000 by way of a revolving line of credit in the amount of \$25,000 and a Corporate Classic Visa card in the amount of \$40,000. Any advances on the revolving line of credit bear interest at prime plus 1.5% and the interest is payable monthly. The credit facilities are secured by a general security agreement covering all assets of the Homes. The line of credit was not used during the year.

8. Accounts payable

Accounts payable and accrued liabilities include government remittances totalling \$59,885 at March 31, 2026 (\$24,660 - 2025).

ST. MICHAEL'S HOMES**Notes to Financial Statements (continued)**

March 31, 2026

9. Deferred revenue

Details of deferred revenue are as follows:

	2026 \$	2025 \$
Deferred revenue - at beginning of year	834,620	635,253
Contributions received during the year	8,869,975	4,325,772
	9,704,595	4,961,025
Transferred to revenue during the year	(8,308,792)	(4,126,405)
Deferred revenue - at end of year	1,395,803	834,620

Deferred revenue consists of:

	2026 \$	2025 \$
Habitat services	440,429	430,894
Hart Hub	516,516	368,994
Ontario Health	25,691	-
Other	60,646	22,985
Room and Board	10,060	11,747
Haven Toronto	342,461	-
	1,395,803	834,620

10. Long-term debt

Details of long term debt are as follows:

	2026 \$	2025 \$
Canada Mortgage and Housing Corporation, mortgage on 277 Rusholme Road (St. Michael's House I) with interest at an annual rate of 8%, repayable \$1,038 monthly principal and interest, maturing January 1, 2026	-	10,610
The Great West Life Assurance Company, mortgage on 262 and 264 Gerrard Street East (Matt Talbot House II) with interest at an annual rate of 6.49%, repayable \$12,461 monthly principal and interest, maturing January 1, 2026	-	137,772
	-	148,382
Less: current portion	-	(148,382)
	-	-

During the year, the Homes fully repaid its outstanding mortgage debt. As at March 31, 2026, the Homes had no outstanding long-term debt.

ST. MICHAEL'S HOMES

Notes to Financial Statements (continued)

March 31, 2026

11. Deferred capital contributions

Deferred capital contributions represent contributions received that have not been expended, and the unamortized amount of contributions received for the purchase of capital assets. The changes in deferred capital contributions are as follows:

	2026 \$	2025 \$
Balance - at beginning of year	595,428	618,446
Capital contributions received	133,607	-
Capital contributions transferred from Haven Toronto	2,000	-
Amortization of deferred capital contributions to revenue during the year	(25,852)	(23,018)
Balance - at end of year	705,183	595,428

12. Operating grants

Details of operating grants revenues are as follows:

	2026 \$	2025 \$
Ministry of Health - Base funding	286,223	299,043
Ministry of Health - Housing Northumberland	230,700	230,700
Ministry of Health - Seniors Active Living Centres	55,884	80,400
Ministry of Health - Housing Support	330,080	-
Ontario Health Toronto	1,249,576	892,310
Ontario Health Toronto - One time funding	1,000,276	1,035,943
Catholic Charities of the Archdiocese of Toronto	753,449	585,933
Investing in Neighbourhoods	2,325	4,020
Habitat Services subsidies	355,905	248,171
Hart Hub	2,055,019	-
City of Toronto	470,836	-
Other grants	199,510	412,666
Other - amortization of deferred capital contributions	23,852	23,018
	7,013,635	3,812,204

13. Pension plan contributions

Contributions to the pension plan made during the year by the Homes on behalf of its employees, amounted to \$280,724 (\$135,590 - 2024) and are included in salaries and employee benefits in the Statement of Operations.

14. Donated rent - City of Toronto

The recorded value of the rent donated by the City of Toronto has been re-estimated in 2026 at \$30,000 per month.

ST. MICHAEL'S HOMES

Notes to Financial Statements (continued)

March 31, 2026

15. Commitments

The Homes has obligations under operating leases for premises expiring May 2026, December 2028 and February 2030, and has entered into a multi year commitment related to software licences expiring November 2026. The following are the annual commitments, including taxes and estimated charges for additional rent:

	Software licences \$	Premises \$	Total \$
2027	21,311	49,986	71,297
2028	-	43,368	43,368
2029	-	38,791	38,791
2030	-	22,973	22,973
	21,311	155,118	176,429

