

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

**(a not-for-profit organization)**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2017**

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**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Christie Ossington Neighbourhood Centre, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

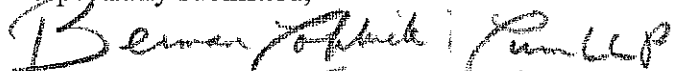
**Basis for Qualified Opinion**

As is the case of most organizations in receipt of funds by fundraising, verification of such items was impractical beyond accounting for amounts recorded in the accounts of the organization, and we were not able to determine whether adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

**Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fundraising referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2017, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Respectfully submitted,

  
CHARTERED PROFESSIONAL ACCOUNTANTS.  
Licensed Public Accountants.

Toronto, Ontario.  
July 12, 2017

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

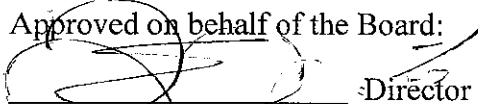

(a not-for-profit organization)

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2017**

	2017	2016
<b>ASSETS</b>		
Current		
Cash	\$ 152,494	\$ 153,621
Grants receivable	258,087	473,129
Accounts receivable	156,564	116,763
Prepaid and sundry assets	<u>160,275</u>	<u>72,922</u>
	727,420	816,435
Capital - at cost less accumulated amortization (note 3)	<u>3,936,180</u>	<u>3,103,873</u>
	<u>\$ 4,663,600</u>	<u>\$ 3,920,308</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 181,666	\$ 185,496
Withholding taxes payable	25,692	22,538
Deferred revenue (note 5)	106,884	267,737
Current portion of long-term debt (note 4)	47,935	47,977
Current portion of capital contribution from funders	<u>114,714</u>	<u>73,501</u>
	476,891	597,249
Long-term debt (note 4)	1,117,680	1,165,167
Capital contributions from funders	<u>2,376,039</u>	<u>1,523,594</u>
	<u>3,970,610</u>	<u>3,286,010</u>
<b>NET ASSETS</b>		
Net assets invested in capital	279,813	293,632
Net assets restricted for transitional housing reserve fund	158,283	143,064
Net assets restricted for general purposes (note 6)	174,854	174,854
Unrestricted net assets	<u>80,040</u>	<u>22,748</u>
	692,990	634,298
	<u>\$ 4,663,600</u>	<u>\$ 3,920,308</u>

Approved on behalf of the Board:

 Director  
 Director

The accompanying notes form an integral part of these financial statements.

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

**(a not-for-profit organization)**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED MARCH 31, 2017**

	Invested in capital	Transitional housing reserve fund	Restricted for general purposes (note 6)	Unrestricted	2017 Total	2016 Total
<b>BALANCE - Beginning of year</b>	\$ 293,632	\$ 143,064	\$ 174,854	\$ 22,748	\$ 634,298	\$ 571,229
- Excess (deficiency) of revenues over expenses	(71,343)			90,035	18,692	23,069
- Investment in capital	9,995			(9,995)		
- Decrease in long-term debt	47,529			(47,529)		
- Internal transfer				40,000	40,000	40,000
- Transfer to reserve fund	_____	<u>15,219</u>	_____	<u>(15,219)</u>	_____	_____
<b>BALANCE - End of year</b>	\$ <u>279,813</u>	\$ <u>158,283</u>	\$ <u>174,854</u>	\$ <u>80,040</u>	\$ <u>692,990</u>	\$ <u>634,298</u>

The accompanying notes form an integral part of these financial statements.

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

**(a not-for-profit organization)**

**STATEMENT OF OPERATIONS**

**YEAR ENDED MARCH 31, 2017**

	2017	2016
<b>REVENUES</b>		
Federal		
Human Resource Development Canada		
Summer Career Placements	\$ 26,234	\$ -
Provincial		
Ministry of Tourism, Culture and Sports	57,980	74,089
Ministry Responsible for Senior Affairs (SCGA)	8,000	-
Ministry of Education	2,300	700
Municipal		
City of Toronto		
Hostel Services - Men's		
- Lansdowne	1,573,967	1,505,507
- Bloor	169,490	-
850 - 854 Bloor Street Hostel Renovation	962,064	217,936
- Start-up	151,903	-
Social Housing Rent Supplement	161,230	169,587
Investing in Neighbourhood	88,794	71,423
Community Outreach Program	83,888	-
Community Services Grant	69,060	67,580
Shelter Standards Implementation Fund	-	35,105
Homeless Initiative Fund		
Drop-in Services	199,781	208,219
Housing Help	90,860	89,907
One time funding		
- drop-in	37,432	-
- transitional	24,724	15,453
United Way of Greater Toronto		
Core	140,760	145,760
Winter relief	8,323	8,323
Donor Choice Donations	971	965
Earned income		
Productive Enterprises	55,041	67,675
Rents	47,905	37,644
Corporate Fundraising		
Maple Leaf Sports and Entertainment	20,000	30,000
Loblaws Inc.	3,500	4,000
Foundations		
Chum Charitable Foundation	6,500	6,500
Ontario Trillium Foundation	-	18,750
Other Agencies		
St. Stephen's Community House	43,464	27,100
Sue Cox Community Action Fund	7,000	-
TD Friends of the Environment	2,915	-
West Neighbourhood House	-	8,810
Fundraising		
- Individual	10,503	10,637
- Other	2,000	-
Interest	263	3,331
	<u>4,056,852</u>	<u>2,825,001</u>
<b>EXPENSES (page 5)</b>	<u>4,038,160</u>	<u>2,801,932</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 18,692</u>	<u>\$ 23,069</u>

The accompanying notes form an integral part of these financial statements.

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

**(a not-for-profit organization)**

**SCHEDULE OF EXPENSES**

**YEAR ENDED MARCH 31, 2017**

	2017	2016
<b>EXPENSES</b>		
Staffing	\$ 2,140,983	\$ 1,832,685
Building occupancy	1,292,615	448,197
Program supplies and expenses	331,513	260,535
Office expenses	59,185	35,634
Interest on long-term debt	47,221	48,825
Reserve for general purposes	40,000	40,000
Purchased services	26,757	45,269
Promotion and publicity	15,384	1,644
Dues, subscriptions and memberships	5,180	6,576
Equipment expenses	4,041	2,255
Volunteer expenses	3,578	6,016
Fundraising	360	22
Amortization	<u>71,343</u>	<u>74,274</u>
	<u>\$ 4,038,160</u>	<u>\$ 2,801,932</u>

The accompanying notes form an integral part of these financial statements.

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

**(a not-for-profit organization)**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2017**

	2017	2016
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>18,692</u>	\$ <u>23,069</u>
Adjustment for:		
Amortization of capital assets	71,343	74,274
Amortization of fully funded capital assets	123,878	79,671
Internal transfer	40,000	40,000
Fully funded capital assets	<u>1,017,533</u>	<u>253,040</u>
	<u>1,252,754</u>	<u>446,985</u>
Changes in non-cash working capital:		
Increase in withholding taxes payable	3,154	16,600
Increase in accounts receivable	(39,801)	(14,466)
(Increase) decrease in grants receivable	215,042	(374,177)
Decrease in prepaid and sundry assets	(87,353)	(14,396)
Decrease in accounts payable and accrued liabilities	(3,825)	(16,959)
Increase (decrease) in deferred revenue	<u>(160,853)</u>	<u>214,439</u>
	<u>(73,636)</u>	<u>(188,959)</u>
Cash flow from operating activities:	<u>1,197,810</u>	<u>281,095</u>
Cash flow for investing activities:		
Increase in capital assets	(1,027,530)	(281,156)
Decrease in temporary investments	<u>-</u>	<u>100,000</u>
	<u>(1,027,530)</u>	<u>(181,156)</u>
Cash flow from financing activities:		
Decrease in capital contributions from funders	(123,878)	(79,671)
Decrease in long-term debt	<u>(47,529)</u>	<u>(49,799)</u>
	<u>(171,407)</u>	<u>(129,470)</u>
Net decrease in cash and cash equivalents	(1,127)	(29,531)
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>153,621</u>	<u>183,152</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	\$ <u>152,494</u>	\$ <u>153,621</u>

The accompanying notes form an integral part of these financial statements.



# CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit organizations in Part III of the CPA Handbook.

#### (a) PURPOSE OF THE ORGANIZATION

Christie Ossington Neighbourhood Centre is a resident driven organization that works with community institutions and agencies, local businesses and stakeholders to maximize community capacity through a series of community-based programs and community development initiatives. The organization is incorporated under the Ontario Corporations Act as a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

#### (b) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid bank accounts and marketable investments with an original maturity date of 90 days or less.

#### (c) GRANTS RECEIVABLE

Receipts for all grants are recorded in these financial statements on the accrual basis. Therefore, the amounts recorded in these financial statements may or may not correspond to the actual amounts received during the fiscal year.

#### (d) AMORTIZATION

Amortization of the capital assets has been provided at the following annual rates, consistent with those of the prior year:

Real estate	- 4% of unamortized cost
Furniture and appliances	- 20% of unamortized cost
Automobiles	- 30% of unamortized cost
Computer hardware	- 30% of unamortized cost

#### (e) AMORTIZATION ON CAPITAL CONTRIBUTIONS FROM FUNDERS

Funds received for the acquisition of capital assets are deferred in the accounts and amortized on the same basis as the related capital assets.

#### (f) CONTRIBUTED MATERIALS AND SERVICES

The organization does not account for contributed materials and services.

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# CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

...Continued

### (g) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires the organization's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

### (h) REVENUE RECOGNITION

The organization uses the deferral method in accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the period in which the related expenses are incurred.

### (i) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and financial liabilities at fair value. The organization 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 statement of operations.

Financial assets measured at amortized cost include cash, temporary investments, grants receivable and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, capital contributions from funders and long-term debt.

## 2. FINANCIAL INSTRUMENTS

### (a) Liquidity Risk

Liquidity risk is a risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization is exposed to liquidity risk arising primarily from the requirement to pay its payables and government remittances. The organization's ability to meet these obligations depends on the receipt of funds from its operations, which it monitors closely.

### (b) Other Risks

The organization believes that it is not exposed to significant interest, currency, credit, market or other price risks arising from holding financial instruments.

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**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

**(a not-for-profit organization)**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2017**

...Continued

**3. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2017 Net	2016 Net
Real estate - 973 Lansdowne (Transitional Housing)	\$ 2,300,149	\$ 872,559	\$ 1,427,590	\$ 1,487,073
Real estate - 850 and 854 Bloor St. West	2,820,948	438,605	2,382,343	1,519,543
Furniture and appliances	278,589	175,565	103,024	78,250
Automobiles	93,897	83,452	10,445	15,211
Computer hardware	<u>53,594</u>	<u>40,816</u>	<u>12,778</u>	<u>3,796</u>
	\$ <u>5,547,177</u>	\$ <u>1,610,997</u>	\$ <u>3,936,180</u>	\$ <u>3,103,180</u>

The transitional housing project is located at 973 Lansdowne Avenue. The land is leased from the City of Toronto for a fifty-year period commencing September, 2003. There is no rent payable.

**4. LONG-TERM DEBT**

	2017		2016	
	Total	Current	Total	Current
Royal Bank				
- 4.25% fixed rate demand loan	\$ 680,857	\$ 27,691	\$ 707,130	\$ 26,541
Royal Bank				
- 3.11% fixed rate demand loan	304,419	12,901	316,816	12,506
Royal Bank				
- 4.25% fixed rate demand loan	180,339	7,343	187,306	7,038
Honda Financial Services	<u>-</u>	<u>-</u>	<u>1,892</u>	<u>1,892</u>
	1,165,615	\$ <u>47,935</u>	1,213,144	\$ <u>47,977</u>
- Deduct current portion	<u>47,935</u>		<u>47,977</u>	
	\$ <u>1,117,680</u>		\$ <u>1,165,167</u>	

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# CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

...Continued

As security for these loans, the organization has given the following:

- (a) A general security agreement consisting first ranking security against all of Christie/Ossington Neighbourhood Centre personal property.
- (b) Against the Bloor West Property, a first charge in the amount of \$1,085,000.
- (c) Against the Lansdown property, a \$200,000 leasehold first charge together with a tripartite agreement between Christie/Ossington Neighbourhood Centre, Royal Bank of Canada and the City of Toronto.

### 5. DEFERRED REVENUE

	2017	2016
Federal		
Federal Accessible - GCCC	\$ 50,000	\$ -
Provincial		
Ministry of Education	-	2,000
Municipal		
Community Outreach	31,239	-
Health and Safety	15,000	15,000
Homeless Initiative Fund		
- Housing Help	5,619	8,363
- Drop-in Services	-	199,781
Foundations		
Home Depot Canada Foundation	2,500	-
Sue Cox Foundation	-	7,000
Individual Fundraising	2,526	1,710
Maple Leaf Sports and Entertainment	-	20,000
850 - 854 Bloor Street renovation	-	13,883
	<u>\$ 106,884</u>	<u>\$ 267,737</u>

### 6. RESERVE FUND

The internally restricted reserve fund is managed according to the agency's Board-approved Reserve Fund Policy.