

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

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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, 2018, 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.

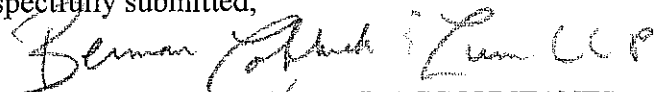
Basis for Qualified Opinion

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, 2018, 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.
June 27, 2018

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

	2018	2017
ASSETS		
Current		
Cash	\$ 432,584	\$ 152,494
Temporary investments	303,327	-
Grants receivable	199,147	258,087
Accounts receivable	69,301	156,564
Prepaid and sundry assets	<u>107,886</u>	<u>160,275</u>
	1,112,245	727,420
Capital - at cost less accumulated amortization (note 3)	<u>4,085,349</u>	<u>3,936,180</u>
	<u>\$ 5,197,594</u>	<u>\$ 4,663,600</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 327,313	\$ 181,666
Withholding taxes payable	27,463	25,692
Deferred revenue (note 5)	291,624	106,884
Current portion of long-term debt (note 4)	53,978	47,935
Current portion of capital contribution from funders	<u>129,450</u>	<u>114,714</u>
	829,828	476,891
Long-term debt (note 4)	1,063,910	1,117,680
Capital contributions from founders	<u>2,434,949</u>	<u>2,376,039</u>
	<u>4,328,687</u>	<u>3,970,610</u>
NET ASSETS		
Net assets invested in capital	403,062	279,813
Net assets restricted for transitional housing reserve fund	173,569	158,283
Net assets restricted for general purposes (note 6)	174,854	174,854
Unrestricted net assets	<u>117,422</u>	<u>80,040</u>
	<u>868,907</u>	<u>692,990</u>
	<u>\$ 5,197,594</u>	<u>\$ 4,663,600</u>

Approved on behalf of the Board:

SDBell Director
J. Bain 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, 2018

	Invested in capital	Transitional housing reserve fund	Restricted for general purposes (note 6)	Unrestricted	2018 Total	2017 Total
BALANCE - Beginning of year	\$ 279,813	\$ 158,283	\$ 174,854	\$ 80,040	\$ 692,990	\$ 634,298
- Excess (deficiency) of revenues over expenses	(68,878)	-	-	94,795	25,917	18,692
- Investment in capital	144,400	-	-	(144,400)	-	-
- Decrease in long-term debt	47,727	-	-	(47,727)	-	-
- Internal transfer	-	-	-	150,000	150,000	40,000
- Transfer to reserve fund	-	<u>15,286</u>	-	<u>(15,286)</u>	-	-
BALANCE - End of year	\$ <u>403,062</u>	\$ <u>173,569</u>	\$ <u>174,854</u>	\$ <u>117,422</u>	\$ <u>868,907</u>	\$ <u>692,990</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, 2018

	2018	2017
REVENUES		
Federal		
Human Resource Development Canada		
Summer Career Placements	\$ 41,301	\$ 26,234
Enabling Accessibility Act	50,000	-
New Horizons per Seniors	24,750	-
Provincial		
Ministry of Tourism, Culture and Sports	59,856	57,980
Ministry Responsible for Senior Affairs (SCGA)	8,000	8,000
Ministry of Education	-	2,300
Ministry of Citizenship and Immigration- Food Service & Hospitality Training	34,500	-
Municipal		
City of Toronto		
Hostel Services - Men's		
- Lansdowne	1,616,668	1,573,967
- Bloor	677,960	169,490
- 850 - 854 Bloor Street Hostel Renovation	-	962,064
- Start-up	-	151,903
Social Housing Rent Supplement	177,350	161,230
Investing in Neighbourhood	80,090	88,794
Community Outreach Program	60,889	83,888
Community Services Grant	70,450	69,060
Homelessness Partnering Strategy	75,000	-
Homeless Initiative Fund		
Drop-in Services	197,394	199,781
Housing Help	88,116	90,860
One time funding		
- drop-in	-	37,432
- transitional	-	24,724
Health and Safety Fund	30,000	-
Employment and Social Services	46,463	-
Urban Health Fund	30,990	-
United Way of Greater Toronto		
Core	140,760	140,760
Winter relief	8,323	8,323
Donor Choice Donations	531	971
Youth Success Strategy Grant	58,155	-
Earned income		
Productive Enterprises	28,291	55,041
Rents	48,779	47,905
Corporate Fundraising		
Maple Leaf Sports and Entertainment	-	20,000
Loblaws Inc.	-	3,500

Continued...

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, 2018

	2018	2017
Foundations		
Chum Charitable Foundation	6,450	6,500
Ontario Trillium Foundation	47,550	-
Home Depot Canada Foundation	2,500	-
Other Agencies		
St. Stephen's Community House	5,929	43,464
Sue Cox Community Action Fund	-	7,000
TD Friends of the Environment	2,000	2,915
Fundraising		
- Individual	17,549	10,503
- Other	1,668	2,000
Interest	<u>6,883</u>	<u>263</u>
	3,745,145	4,056,852
EXPENSES (page 6)	<u>3,719,228</u>	<u>4,038,160</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 25,917</u>	<u>\$ 18,692</u>

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

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CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

SCHEDULE OF EXPENSES

YEAR ENDED MARCH 31, 2018

	2018	2017
EXPENSES		
Staffing	\$ 2,414,567	\$ 2,140,983
Building occupancy	472,446	1,292,615
Program supplies and expenses	415,297	331,513
Reserve for general purposes	150,000	40,000
Office expenses	69,168	59,185
Purchased services	55,454	26,757
Interest on long-term debt	45,828	47,221
Equipment expenses	11,740	4,041
Volunteer expenses	7,073	3,578
Fundraising	3,857	360
Dues, subscriptions and memberships	3,321	5,180
Promotion and publicity	1,599	15,384
Amortization	<u>68,878</u>	<u>71,343</u>
	<u>\$ 3,719,228</u>	<u>\$ 4,038,160</u>

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

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CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2018

	2018	2017
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>25,917</u>	\$ <u>18,692</u>
Adjustment for:		
Amortization of capital assets	68,878	71,343
Amortization of fully funded capital assets	142,103	123,878
Internal transfer	150,000	40,000
Fully funded capital assets	<u>215,750</u>	<u>1,017,533</u>
	<u>576,731</u>	<u>1,252,754</u>
Changes in non-cash working capital:		
Increase in withholding taxes payable	1,770	3,154
Decrease (increase) in accounts receivable	87,263	(39,801)
Decrease in grants receivable	58,940	215,042
(Increase) decrease in prepaid and sundry assets	52,389	(87,353)
Increase (decrease) in accounts payable and accrued liabilities	145,647	(3,825)
Increase (decrease) in deferred revenue	<u>184,740</u>	<u>(160,853)</u>
	<u>530,749</u>	<u>(73,636)</u>
Cash flow from operating activities:	<u>1,133,397</u>	<u>1,197,810</u>
Cash flow for investing activities:		
Increase in capital assets	(360,150)	(1,027,530)
Increase in temporary investments	<u>(303,327)</u>	<u>-</u>
	<u>(663,477)</u>	<u>(1,027,530)</u>
Cash flow from financing activities:		
Decrease in capital contributions from founders	(142,103)	(123,878)
Decrease in long-term debt	<u>(47,727)</u>	<u>(47,529)</u>
	<u>(189,830)</u>	<u>(171,407)</u>
Net increase (decrease) in cash and cash equivalents	280,090	(1,127)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>152,494</u>	<u>153,621</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>432,584</u>	\$ <u>152,494</u>

Continued...

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

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. There for, 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, 2018

...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, 2018

...Continued

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net	2017 Net
Real estate - 973 Lansdowne (Transitional Housing)	\$ 2,375,149	\$ 932,662	\$ 1,442,487	\$ 1,427,590
Real estate - 850 and 854 Bloor St. West	2,934,098	538,425	2,395,673	2,382,343
Furniture and appliances	378,940	216,240	162,700	103,024
Automobiles	93,897	86,586	7,311	10,445
Leaseholds	61,251	-	61,251	-
Computer hardware	<u>34,063</u>	<u>18,136</u>	<u>15,927</u>	<u>12,778</u>
	\$ <u>5,877,398</u>	\$ <u>1,792,049</u>	\$ <u>4,085,349</u>	\$ <u>3,936,180</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

	2018		2017	
	Total	Current	Total	Current
Royal Bank				
- 4.25% fixed rate demand loan	\$ 653,099	\$ 32,564	\$ 680,857	\$ 27,691
Royal Bank				
- 3.11% fixed rate demand loan	291,811	14,933	304,419	12,901
Royal Bank				
- 4.25% fixed rate demand loan	<u>172,978</u>	<u>6,481</u>	<u>180,339</u>	<u>7,343</u>
	1,117,888	\$ <u>53,978</u>	1,165,615	\$ <u>47,935</u>
- Deduct current portion	<u>53,978</u>		<u>47,935</u>	
	\$ <u>1,063,910</u>		\$ <u>1,117,680</u>	

Continued..

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

..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

	2018	2017
Federal		
Federal Accessible - GCCC	\$ -	\$ 50,000
New Horizons for Seniors	16,732	-
Provincial		
Ministry of Food Services and Hospitality	114,850	-
Municipal		
Community Outreach	-	31,239
Health and Safety	-	15,000
Home for Good	53,829	-
Community services		
- Partnership (CSP)	28,180	-
Urban Health Fund	15,495	-
Homeless Initiative Fund		
- Housing Help	5,619	5,619
Foundations		
Home Depot Canada Foundation	-	2,500
Ontario Trillium Foundation	35,650	-
Individual Fundraising	7,940	2,526
Earned income	<u>13,329</u>	<u>-</u>
	<u>\$ 291,624</u>	<u>\$ 106,884</u>

6. RESERVE FUND

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