

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

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CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of **Christie/Ossington Neighbourhood Centre**

Opinion

We have audited the accompanying financial statements of Christie/Ossington Neighbourhood Centre, which comprise the statement of financial position as at March 31, 2019, 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 Organization as at March 31, 2019, 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 Organization 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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

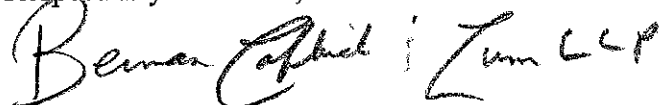
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Organization'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 Organization'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 Organization 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.

Respectfully submitted,



CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
June 26, 2019

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

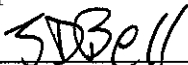
(a not-for-profit organization)


STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

	2019	2018
ASSETS		
Current		
Cash	\$ 396,232	\$ 432,584
Temporary investments	305,987	303,327
Grants receivable	315,402	199,147
Accounts receivable	74,616	69,301
Prepaid and sundry assets	<u>113,047</u>	<u>107,886</u>
	1,205,284	1,112,245
Capital - at cost less accumulated amortization (note 3)	<u>4,290,732</u>	<u>4,085,349</u>
	<u>\$ 5,496,016</u>	<u>\$ 5,197,594</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 222,637	\$ 327,313
Withholding taxes payable	28,651	27,463
Deferred revenue (note 5)	295,450	291,624
Current portion of long-term debt (note 4)	67,352	53,978
Current portion of capital contribution from funders	<u>129,375</u>	<u>129,450</u>
	743,465	829,828
Long-term debt (note 4)	1,001,740	1,063,910
Capital contributions from founders	<u>2,577,171</u>	<u>2,434,949</u>
	<u>4,322,376</u>	<u>4,328,687</u>
NET ASSETS		
Net assets invested in capital	515,098	403,062
Net assets restricted for transitional housing reserve fund	187,473	173,569
Net assets restricted for general purposes (note 6)	174,854	174,854
Unrestricted net assets	<u>296,213</u>	<u>117,422</u>
	<u>1,173,638</u>	<u>868,907</u>
	<u>\$ 5,496,016</u>	<u>\$ 5,197,594</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, 2019

	Invested in capital	Transitional housing reserve fund	Restricted for general purposes (note 6)	Unrestricted	2019 Total	2018 Total
BALANCE - Beginning of year	\$ 403,062	\$ 173,569	\$ 174,854	\$ 117,422	\$ 868,907	\$ 692,990
- Excess (deficiency) of revenues over expenses	(73,666)	-	-	98,397	24,731	25,917
- Investment in capital	136,906	-	-	(136,906)	-	-
- Decrease in long-term debt	48,796	-	-	(48,796)	-	-
- Internal transfer	-	-	-	280,000	280,000	150,000
- Transfer to reserve fund	-	13,904	-	(13,904)	-	-
BALANCE - End of year	<u>\$ 515,098</u>	<u>\$ 187,473</u>	<u>\$ 174,854</u>	<u>\$ 296,213</u>	<u>\$ 1,173,638</u>	<u>\$ 868,907</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, 2019

	2019	2018
REVENUES		
Federal		
Human Resource Development Canada		
Summer Career Placements	\$ 63,363	\$ 41,301
Enabling Accessibility Act	-	50,000
New Horizons per Seniors	16,732	24,750
Provincial		
Ministry of Tourism, Culture and Sports	57,980	59,856
Ministry Responsible for Senior Affairs (SCGA)	-	8,000
Ministry of Education	-	-
Ministry of Citizenship and Immigration- Food Service & Hospitality Training	255,499	34,500
Municipal		
City of Toronto		
Hostel Services - Men's		
- Lansdowne	1,900,560	1,616,668
- Bloor	735,828	677,960
- 850 - 854 Bloor Street Hostel Renovation	206,695	-
- Start-up	-	-
Social Housing Rent Supplement	162,772	177,350
Investing in Neighbourhood	69,558	80,090
Community Outreach Program	-	60,889
Community Services Grant	71,930	70,450
Homelessness Partnering Strategy	75,000	75,000
Homeless Initiative Fund		
Drop-in Services	197,392	197,394
Housing Help	88,116	88,116
One time funding		
- drop-in	2,000	-
- transitional	-	-
Health and Safety Fund	-	30,000
Employment and Social Services	-	46,463
Urban Health Fund	71,133	30,990
Home for Good	143,544	-
United Way of Greater Toronto		
Core	149,083	140,760
Winter relief	-	8,323
Donor Choice Donations	634	531
Youth Success Strategy Grant	58,155	58,155
Earned income		
Productive Enterprises	55,757	28,291
Rents	46,409	48,779
Corporate Fundraising		
Maple Leaf Sports and Entertainment	-	-
Loblaws Inc.	-	-

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, 2019

	2019	2018
Foundations		
Chum Charitable Foundation	6,563	6,450
Ontario Trillium Foundation	71,300	47,550
Home Depot Canada Foundation	-	2,500
The Canadian Community Economic	2,000	-
Eva's Initiations- Youth Employment	29,788	-
Miziwe Biik Aboriginal Employment	9,860	-
Progress Career Planning	895	-
Other Agencies		
St. Stephen's Community House	40,691	5,929
Sue Cox Community Action Fund	-	-
TD Friends of the Environment	-	2,000
Fundraising		
- Individual	17,892	17,549
- Other	1,064	1,668
Interest	<u>9,007</u>	<u>6,883</u>
	4,617,180	3,745,145
EXPENSES (page 7)	<u>4,592,449</u>	<u>3,719,228</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 24,731</u>	<u>\$ 25,917</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, 2019

	2019	2018
EXPENSES		
Staffing	\$2,948,623	\$ 2,414,567
Building occupancy	733,715	472,446
Program supplies and expenses	365,721	415,297
Reserve for general purposes	280,000	150,000
Office expenses	76,658	69,168
Purchased services	57,343	55,454
Interest on long-term debt	44,360	45,828
Equipment expenses	2,850	11,740
Volunteer expenses	4,655	7,073
Dues, subscriptions and memberships	4,118	3,321
Promotion and publicity	740	1,599
Fundraising	-	3,857
Amortization	<u>73,666</u>	<u>68,878</u>
	<u>\$ 4,592,449</u>	<u>\$ 3,719,228</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, 2019

	2019	2018
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>24,731</u>	\$ <u>25,917</u>
Adjustment for:		
Amortization of capital assets	73,666	68,878
Amortization of fully funded capital assets	140,776	142,103
Internal transfer	280,000	150,000
Fully funded capital assets	<u>282,921</u>	<u>215,750</u>
	<u>777,363</u>	<u>576,731</u>
Changes in non-cash working capital:		
Increase in withholding taxes payable	1,188	1,770
Decrease (increase) in accounts receivable	(5,315)	87,263
(Increase) decrease in grants receivable	(116,255)	58,940
Decrease (increase) in prepaid and sundry assets	(5,161)	52,389
Increase (decrease) in accounts payable and accrued liabilities	(104,676)	145,647
Increase in deferred revenue	<u>3,830</u>	<u>184,740</u>
	<u>(226,389)</u>	<u>530,749</u>
Cash flow from operating activities:	<u>1,013,788</u>	<u>1,133,397</u>
Cash flow for investing activities:		
Increase in capital assets	(419,825)	(360,150)
Increase in temporary investments	<u>(2,660)</u>	<u>(303,327)</u>
	<u>(422,485)</u>	<u>(663,477)</u>
Cash flow from financing activities:		
Decrease in capital contributions from founders	(48,796)	(142,103)
Decrease in long-term debt	<u>(140,776)</u>	<u>(47,727)</u>
	<u>(189,572)</u>	<u>(189,830)</u>
Net increase in cash and cash equivalents	36,352	280,090
CASH AND CASH EQUIVALENTS - Beginning of year	<u>432,584</u>	<u>152,494</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>396,232</u>	\$ <u>432,584</u>

Continued...

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

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, 2019

...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.

Continued...

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CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

...Continued

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2019 Net	2018 Net
Real estate - 973 Lansdowne (Transitional Housing)	\$ 2,481,168	\$ 994,603	\$ 1,486,565	\$ 1,442,487
Real estate - 850 and 854 Bloor St. West	3,210,251	645,298	2,564,953	2,395,673
Furniture and appliances	382,785	249,549	133,236	162,700
Automobiles	93,897	88,779	5,118	7,311
Leaseholds	89,115	3,565	85,550	61,251
Computer hardware	<u>40,007</u>	<u>24,697</u>	<u>15,310</u>	<u>15,927</u>
	\$ <u>6,297,223</u>	\$ <u>2,006,491</u>	\$ <u>4,290,732</u>	\$ <u>4,085,349</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

	2019		2018	
	Total	Current	Total	Current
Royal Bank				
- 4.25% fixed rate demand loan	\$ 624,146	\$ 46,737	\$ 653,099	\$ 32,564
Royal Bank				
- 3.11% fixed rate demand loan	165,301	16,508	291,811	14,933
Royal Bank				
- 4.25% fixed rate demand loan	<u>279,645</u>	<u>4,107</u>	<u>172,978</u>	<u>6,481</u>
	1,069,092	\$ <u>67,352</u>	1,117,888	\$ <u>53,978</u>
- Deduct current portion	<u>67,352</u>		<u>53,978</u>	
	\$ <u>1,001,740</u>		\$ <u>1,063,910</u>	

Continued...

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

...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

	2019	2018
Federal		
New Horizons for Seniors	\$ 16,800	\$ 16,732
Provincial		
Ministry of Food Services and Hospitality	-	114,850
Ministry of Education	2,940	-
Municipal		
Home for Good	53,829	53,829
Urban Health Fund	50,028	15,495
Homeless Initiative Fund		
- Housing Help	5,619	5,619
Summer Camp	1,450	-
Community services		
- Partnership (CSP)	-	28,180
Foundations		
Ontario Trillium Foundation	91,750	35,650
M.E.H.	20,000	-
Toronto	20,000	-
Telus	11,765	-
Individual Fundraising	7,940	7,940
Earned income	<u>13,329</u>	<u>13,329</u>
	<u>\$ 295,450</u>	<u>\$ 291,624</u>

6. RESERVE FUND

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