

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

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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, 2020, 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, 2020, 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
July 2, 2020

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 543,262	\$ 396,232
Temporary investments	201,760	305,987
Grants receivable	79,666	315,402
Accounts receivable	88,879	74,616
Prepaid and sundry assets	<u>113,167</u>	<u>113,047</u>
	1,026,734	1,205,284
Capital - at cost less accumulated amortization (note 3)	<u>4,279,654</u>	<u>4,290,732</u>
	<u>\$ 5,306,388</u>	<u>\$ 5,496,016</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 258,998	\$ 222,637
Withholding taxes payable	30,335	28,651
Deferred revenue (note 5)	117,300	295,450
Current portion of long-term debt (note 4)	37,950	67,352
Current portion of capital contribution from funders	<u>129,051</u>	<u>129,375</u>
	573,634	743,465
Long-term debt (note 4)	979,461	1,001,740
Capital contributions from founders	<u>2,565,302</u>	<u>2,577,171</u>
	<u>4,118,397</u>	<u>4,322,376</u>
NET ASSETS		
Net assets invested in capital	567,892	515,098
Net assets restricted for transitional housing reserve fund	114,389	187,473
Net assets restricted for general purposes (note 6)	174,854	174,854
Unrestricted net assets	<u>330,856</u>	<u>296,213</u>
	<u>1,187,991</u>	<u>1,173,638</u>
	<u>\$ 5,306,388</u>	<u>\$ 5,496,016</u>

Approved on behalf of the Board:

Director

Director

Alexander Glavin

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, 2020

	Invested in capital	Transitional housing reserve fund	Restricted for general purposes (note 6)	Unrestricted	2020 Total	2019 Total
BALANCE - Beginning of year	\$ 515,098	\$ 187,473	\$ 174,854	\$ 296,213	\$ 1,173,638	\$ 868,907
- Excess (deficiency) of revenues over expenses	(73,563)	-	-	95,217	21,654	24,731
- Investment in capital	74,676	-	-	(74,676)	-	-
- Decrease in long-term debt	51,681	-	-	(51,681)	-	-
- Transfer	-	(87,301)	-	-	(87,301)	-
- Internal transfer	-	-	-	80,000	80,000	280,000
- Transfer to reserve fund	-	14,217	-	(14,217)	-	-
BALANCE - End of year	<u>\$ 567,892</u>	<u>\$ 114,389</u>	<u>\$ 174,854</u>	<u>\$ 330,856</u>	<u>\$ 1,187,991</u>	<u>\$ 1,173,638</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, 2020

	2020	2019
REVENUES		
Federal		
Human Resource Development Canada		
Summer Career Placements	\$ 62,016	\$ 63,363
New Horizons per Seniors	16,800	16,732
Provincial		
Ministry of Tourism, Culture and Sports	57,980	57,980
Ministry of Education	4,200	-
Ministry of Citizenship and Immigration-		
Food Service & Hospitality Training	-	255,499
Municipal		
City of Toronto		
Hostel Services - Men's		
- Lansdowne	1,883,620	1,900,560
- Bloor	796,158	735,828
- 850 - 854 Bloor Street Hostel Renovation	-	206,675
- Start-up	5,000	-
Social Housing Rent Supplement	190,890	162,772
Investing in Neighbourhood	69,351	69,558
Community Services Grant	73,500	71,930
Homelessness Partnering Strategy	-	75,000
Homeless Initiative Fund		
Drop-in Services	197,395	197,392
Housing Help	88,116	88,116
One time funding		
- drop-in	10,000	2,000
Urban Health Fund	88,367	71,133
Home for Good	143,544	143,544
United Way of Greater Toronto		
Core	149,083	149,083
Donor Choice Donations	597	634
Youth Success Strategy Grant	58,155	58,155
Earned income		
Productive Enterprises	56,129	55,757
Rents	43,696	46,409

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, 2020**

	2020	2019
Foundations		
Chum Charitable Foundation	6,525	6,563
Ontario Trillium Foundation	130,250	71,300
The Canadian Community Economic	-	2,000
Eva's Initiations- Youth Employment	25,181	29,788
Miziwe Biik Aboriginal Employment	30,880	9,860
Progress Career Planning	58,705	895
Toronto Foundation	20,000	-
M.E.H Foundation	20,000	-
Other Agencies		
St. Stephen's Community House	51,096	40,691
Telus Corporation	11,765	-
TD Friends of the Environment	2,313	-
Fundraising		
- Individual	33,411	17,892
- Other	6,686	1,064
Interest	<u>10,618</u>	<u>9,007</u>
	4,402,027	4,617,180
EXPENSES (page 7)	<u>4,380,373</u>	<u>4,592,449</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>21,654</u>	\$ <u>24,731</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, 2020

	2020	2019
EXPENSES		
•Staffing	\$ 3,197,497	\$ 2,948,623
Building occupancy	491,515	733,715
Program supplies and expenses	349,802	365,721
Office expenses	95,891	76,658
Reserve for general purposes	80,000	280,000
Interest on long-term debt	43,792	44,360
Purchased services	32,862	57,343
Volunteer expenses	7,504	4,655
Dues, subscriptions and memberships	3,819	4,118
Equipment expenses	2,601	2,850
Promotion and publicity	1,527	740
Amortization	<u>73,563</u>	<u>73,666</u>
	\$ <u>4,380,373</u>	\$ <u>4,592,449</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, 2020**

	2020	2019
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>21,654</u>	\$ <u>24,731</u>
Adjustment for:		
Amortization of capital assets	73,563	73,666
Amortization of fully funded capital assets	140,399	140,776
Transfer to reserve from operation	80,000	280,000
Transfer from transitional housing reserve	(87,301)	-
Fully funded capital assets	<u>128,672</u>	<u>282,921</u>
	<u>335,333</u>	<u>777,363</u>
Changes in non-cash working capital:		
Increase in withholding taxes payable	1,684	1,188
Increase in accounts receivable	(14,263)	(5,315)
(Increase) decrease in grants receivable	235,736	(116,255)
Increase in prepaid and sundry assets	(120)	(5,161)
Increase (decrease) in accounts payable and accrued liabilities	36,357	(104,676)
Increase (decrease) in deferred revenue	<u>(178,150)</u>	<u>3,830</u>
	<u>81,244</u>	<u>(226,389)</u>
Cash flow from operating activities:	<u>438,231</u>	<u>575,705</u>
Cash flow for investing activities:		
Increase in capital assets	(203,348)	(419,825)
(Increase) decrease in temporary investments	<u>104,227</u>	<u>(2,660)</u>
	<u>(99,121)</u>	<u>(422,485)</u>
Cash flow from financing activities:		
Decrease in capital contributions from founders	(140,399)	(140,776)
Decrease in long-term debt	<u>(51,681)</u>	<u>(48,796)</u>
	<u>(192,080)</u>	<u>(189,572)</u>
Net increase (decrease) in cash and cash equivalents	147,030	(36,352)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>396,232</u>	<u>432,584</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>543,262</u>	\$ <u>396,232</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, 2020

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.

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

...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 founders 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.

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

...Continued

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2020 Net	2019 Net
Real estate - 973 Lansdowne (Transitional Housing)	\$ 2,568,466	\$ 1,057,557	\$ 1,510,909	\$ 1,486,565
Real estate - 850 and 854 Bloor St. West	3,276,803	750,558	2,526,245	2,564,953
Furniture and appliances	400,933	279,826	121,107	133,236
Automobiles	93,897	90,314	3,583	5,118
Leaseholds	100,730	7,451	93,279	85,550
Computer hardware	<u>59,741</u>	<u>35,210</u>	<u>24,531</u>	<u>15,310</u>
	\$ <u>6,500,570</u>	\$ <u>2,220,916</u>	\$ <u>4,279,654</u>	\$ <u>4,290,732</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

	2020		2019	
	Total	Current	Total	Current
Royal Bank				
- 4.25% fixed rate demand loan	\$ 593,259	\$ 21,388	\$ 624,146	\$ 46,737
Royal Bank				
- 3.11% fixed rate demand loan	157,120	5,867	165,301	16,508
Royal Bank				
- 4.25% fixed rate demand loan	<u>267,032</u>	<u>10,695</u>	<u>279,645</u>	<u>4,107</u>
	1,017,411	\$ <u>37,950</u>	1,069,092	\$ <u>67,352</u>
- Deduct current portion	<u>37,950</u>		<u>67,352</u>	
	\$ <u>979,461</u>		\$ <u>1,001,740</u>	

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

Continued...

CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE

(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

...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

	2020	2019
Federal		
New Horizons for Seniors	\$ -	\$ 16,800
Provincial		
Ministry of Education	-	2,940
Municipal		
Home for Good	-	53,829
Urban Health Fund	-	50,028
Homeless Initiative Fund		
- Housing Help	-	5,619
Summer Camp	-	1,450
Foundations		
Ontario Trillium Foundation	41,300	91,750
M.E.H.	-	20,000
Toronto	-	20,000
Telus	-	11,765
Individual Fundraising	-	7,940
Earned income	<u>76,000</u>	<u>13,329</u>
	<u>\$ 117,300</u>	<u>\$ 295,450</u>

6. RESERVE FUND

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

7. SUBSEQUENT EVENT

On April 9, 2020 the mortgages were refinanced with Vancity Community Investment Bank for the amount of \$ 1,030,000 for a term of 5 years, maturing April 9, 2025 at an interest rate of 3.10%, monthly payments of \$ 6,207.