

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

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

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2021**

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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, 2021, and the changes in net assets, statements of operations 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, 2021, 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 28, 2021

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

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

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2021**

	2021	2020
<b>ASSETS</b>		
Current		
Cash	\$3,052,635	\$ 543,262
Temporary investments	-	201,760
Grants receivable	-	79,666
Accounts receivable	444,219	88,879
Prepaid expenses and sundry assets	<u>142,967</u>	<u>113,167</u>
	3,639,821	1,026,734
Capital - at cost less accumulated amortization (note 3)	<u>4,286,307</u>	<u>4,279,654</u>
Total assets	<u>\$7,926,128</u>	<u>\$5,306,388</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 552,826	\$ 258,998
Withholding taxes payable	15,450	30,335
Deferred revenue (note 5)	1,621,070	117,300
Current portion of long term debt (note 4)	44,549	37,950
Current portion of capital contribution from funders	<u>143,712</u>	<u>129,051</u>
	2,377,607	573,634
Long term debt (note 4)	947,502	979,461
Capital contributions from funders	<u>2,626,116</u>	<u>2,565,302</u>
Total liabilities	<u>5,951,225</u>	<u>4,118,397</u>
<b>NET ASSETS</b>		
Net assets invested in capital	524,431	567,892
Net assets restricted for transitional housing reserve fund	103,332	114,389
Net assets restricted for general purposes (note 6)	954,854	174,854
Unrestricted net assets	<u>392,286</u>	<u>330,856</u>
	<u>1,974,903</u>	<u>1,187,991</u>
	<u>\$7,926,128</u>	<u>\$5,306,388</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, 2021**

	Invested in capital	Transitional housing reserve fund	Restricted for general purposes (note 6)	Unrestricted	2021 Total	2020 Total
<b>BALANCE - Beginning of year</b>	\$ 567,892	\$ 114,389	\$ 174,854	\$ 330,856	\$ 1,187,991	\$ 1,173,638
- Excess (deficiency) of revenues over expenses	(68,821)	-	-	100,991	32,170	21,654
- Decrease in long-term debt	25,360	-	-	(25,360)	-	-
- Transfer	-	-	-	-	-	(87,301)
- Internal transfer	-	-	780,000	-	780,000	80,000
- Transfer to reserve fund	-	14,201	-	(14,201)	-	-
- Reserve Expense	<u>-</u>	<u>(25,258)</u>	<u>-</u>	<u>-</u>	<u>(25,258)</u>	<u>-</u>
<b>BALANCE - End of year</b>	<u>\$ 524,431</u>	<u>\$ 103,332</u>	<u>\$ 954,854</u>	<u>\$ 392,286</u>	<u>\$ 1,974,903</u>	<u>\$ 1,187,991</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, 2021**

	2021	2020
<b>REVENUES</b>		
Federal		
Human Resource Development Canada		
Summer Career Placements	\$ 74,127	\$ 62,016
New Horizons per Seniors	-	16,800
Provincial		
Ministry of Tourism, Culture and Sports	57,980	57,980
Ministry of Education	-	4,200
Municipal		
City of Toronto		
Hostel services - Men's		
- Landsdowne	2,378,740	1,883,620
- Rexdale	1,445,287	-
- Bloor	1,019,132	796,158
- Roncesvalles	769,589	-
- Start up	-	5,000
Homeless Initiative Fund		
- Drop-in Services	199,368	197,395
- Housing Help	88,116	88,116
- One time funding - drop in	11,121	10,000
Social Housing Rent Supplement	188,741	190,890
Home for Good	153,776	143,544
Community Services Grant	75,015	73,500
Urban Health Fund Toronto Employment and Social Services	60,742	88,367
Toronto Employment and Social Services	54,586	-
Investing in Neighbourhood	14,396	69,351
United Way of Greater Toronto		
Core	149,083	149,083
Other	60,585	-
Donor Choice Donations	745	597
Youth Success Strategy Grant	-	58,155
Earned Income		
Productive Enterprises	10,193	56,129
Rent	51,001	43,696

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 OPERATIONS**

**YEAR ENDED MARCH 31, 2021**

	2021	2020
Foundations		
Daily Bread Food Bank	60,750	-
Ontario Trillium Foundation	41,300	130,250
Miziwe Biik Aboriginal Employment	26,919	30,880
CHUM Charitable Foundation	6,525	6,525
Progress Career Planning	1,227	58,705
Eva's Initiations	958	25,181
Toronto Foundation	-	20,000
M.E.H Foundation	-	20,000
Other Agencies		
St. Stephen's Community House	3,542	51,096
TD Friends of the Environment	2,000	2,313
Telus Corporation	-	11,765
Fundraising		
Other	21,684	6,686
Individual	61,558	33,411
Interest	<u>14,242</u>	<u>10,618</u>
	7,103,028	4,402,027
<b>EXPENSES (page 7)</b>	<u>7,070,858</u>	<u>4,380,373</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 32,170</u>	<u>\$ 21,654</u>

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



**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

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

**STATEMENT OF EXPENSES**

**YEAR ENDED MARCH 31, 2021**

	2021	2020
<b>EXPENSES</b>		
Staffing	4,687,113	3,197,497
Program supplies and expenses	632,108	349,802
Building Occupancy	515,467	491,515
Purchased services	165,676	32,862
Office expenses	122,091	95,891
Equipment expenses	47,470	2,601
Interest on long-term debt	31,207	43,792
Fundraising expenses	11,008	-
Dues, subscriptions and memberships	5,701	3,819
Volunteer expenses	3,035	7,504
Promotion and publicity	1,161	1,527
Reserve for general purposes	780,000	80,000
Amortization	<u>68,821</u>	<u>73,563</u>
	<u>7,070,858</u>	<u>4,380,373</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, 2021**

	2021	2020
Cash flow from operating activities:		
Excess of revenue over expenses	\$ <u>32,170</u>	\$ <u>21,654</u>
Adjustments for:		
Amortization of capital assets	68,821	73,563
Amortization of fully funded capital assets	160,637	140,399
Transfer to reserve from operation	780,000	80,000
Transfer from transitional housing reserve	-	(87,301)
Reserve expenses	(25,258)	-
Fully funded capital assets	<u>268,059</u>	<u>128,672</u>
	<u>1,252,259</u>	<u>335,333</u>
Changes in non-cash working capital:		
Decrease in withholding taxes payable	14,881	1,684
Decrease in accounts receivable	(355,340)	(14,263)
Decrease in grants receivable	79,666	235,736
Increase in prepaid and sundry assets	(29,800)	(120)
Increase in accounts payable and accrued liabilities	293,838	36,357
Increase (decrease) in deferred revenue	<u>1,503,770</u>	<u>(178,150)</u>
	<u>1,507,015</u>	<u>81,244</u>
Cash flow from operating activities:	<u>2,791,444</u>	<u>438,231</u>
Cash flow from investing activities:		
Increase capital assets	(268,059)	(203,348)
Increase in temporary investments	<u>201,760</u>	<u>104,227</u>
	<u>(66,299)</u>	<u>(99,121)</u>
Cash flow from financing activities:		
Decrease in capital contributions from founders	(190,412)	(140,399)
Decrease in long term debt	<u>(25,360)</u>	<u>(51,681)</u>
	<u>(215,772)</u>	<u>(192,080)</u>
Net increase in cash and cash equivalents	2,509,373	147,030
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>543,262</u>	<u>396,232</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u>\$3,052,635</u>	<u>\$ 543,262</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, 2021

### 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 Chartered Professional Accountants of Canada ("CPA Canada") 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 have been provided at the following annual rates, consistent with those of the prior year:

Real estate	- 4% of unamortized cost
Furniture and equipment	- 20% of unamortized cost
Automobile	- 30% of unamortized cost
Computer hardware	- 30% of unamortized cost

#### (e) AMORTIZATION ON CAPITAL CONTRIBUTIONS

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, 2021

### (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 and accounts receivable and grants receivable.

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

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

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

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2021**

**3. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2021 Net	2020 Net
Real estate - 973 Lansdowne (Transitional Housing)	\$ 2,593,726	1,119,004	\$ 1,474,722	\$ 1,510,909
Real estate - 850 & 854 Bloor St. West	3,276,803	851,608	2,425,195	2,526,245
Furniture and appliances	504,109	324,683	179,426	121,107
Automobiles	199,804	123,161	76,643	3,583
Leaseholds	100,729	11,182	89,547	93,279
Computer hardware	<u>93,460</u>	<u>52,685</u>	<u>40,774</u>	<u>24,531</u>
	<u>\$ 6,768,631</u>	<u>\$ 2,482,323</u>	<u>\$ 4,286,307</u>	<u>\$ 4,279,654</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**

	2021		2020	
	Total	Current	Total	Current
Royal Bank				
- 4.25% fixed rate demand loan	\$ -	-	\$ 593,259	\$ 21,388
Royal Bank				
- 3.11% fixed rate demand loan	\$ -	-	157,120	5,867
Royal Bank				
- 4.25% fixed rate demand loan	-	-	267,032	10,695
Vancity Community				
-3.39% Fixed rate demand loan	<u>992,051</u>	<u>44,549</u>	<u>-</u>	<u>-</u>
	992,051	\$ <u>44,549</u>	1,017,411	\$ <u>37,950</u>
Deduct current portion	<u>44,549</u>		<u>37,950</u>	
	<u>\$ 947,502</u>		<u>\$ 979,461</u>	

During the year, the organization paid their Royal Bank loans that were outstanding as of March 31, 2020 and entered into a long term obligation with Vancity Community Investment Bank. The loan is a non-revolving long term credit facility for 60 months, amortized over 240 months, with an interest rate of 3.39%.

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

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

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2021**

**5. DEFERRED REVENUE**

	2021	2020
Municipal		
Drop In Covid Funding	30,000	-
Rexdale Shelter	1,271,554	-
Roncesvalles	78,022	-
Toronto Urban Health Fund	10,000	-
Foundations		
Canadian Foundation of Health	37,450	-
Daily Bread Food Bank - Capital	24,959	-
Lifetime Charitable Foundation	7,500	41,300
Scotia Trust	50,000	-
Trillium Foundation	18,000	-
United Way of Toronto	17,585	-
Earned income	<u>76,000</u>	<u>76,000</u>
	<u>\$1,621,070</u>	<u>\$117,300</u>

**6. RESERVE FUND**

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

**7. SUBSEQUENT EVENT**

Subsequent to March 31, 2021, a revised funding agreement with Roncesvalles shelter was received for the period of July 18 to December 31, 2020, resulting in an increase in funding of \$344,378.

**8. COVID-19**

In March of 2020 the World Health Organization declared a pandemic due to COVID-19 outbreak. This caused Christie/Ossington Neighbourhood Centre to modify its operations starting March 16, 2020 and severely adjust its operations in other areas of community projects. Part of the Organization's workforce has been forced to work from home. The Organization has successfully obtained Covid related funding to cover additional expenses. Management believes the organization will be able to meet its financial obligations. It is unknown how long this pandemic will continue. The longer it continues the more negative economic impact it will have on the Organization. The extent of this financial impact cannot be determined at this time.