

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

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

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2016**

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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, 2016, 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.

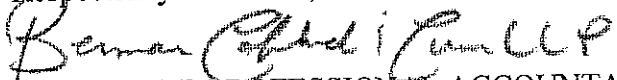
**Basis for Qualified Opinion**

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, 2016, 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 24, 2016

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

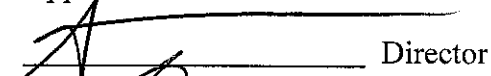
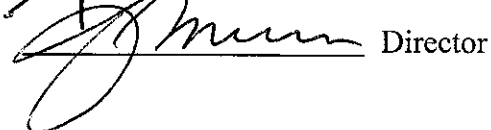
**(a not-for-profit organization)**

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2016**

	2016	2015
<b>ASSETS</b>		
Current		
Cash	\$ 153,621	\$ 183,152
Temporary investments	-	100,000
Grants receivable	473,129	98,952
Accounts receivable	116,763	102,297
Prepaid and sundry assets	<u>72,922</u>	<u>58,526</u>
	816,435	542,927
Capital - at cost less accumulated amortization (note 3)	<u>3,103,873</u>	<u>2,976,662</u>
	<u>\$ 3,920,308</u>	<u>\$ 3,519,589</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 185,496	\$ 202,455
Withholding taxes payable	22,538	5,935
Deferred revenue (note 5)	267,737	53,298
Current portion of long-term debt (note 4)	47,977	49,799
Current portion of capital contribution from funders	<u>73,501</u>	<u>63,933</u>
	597,249	375,420
Long-term debt (note 4)	1,165,167	1,213,144
Capital contributions from funders	<u>1,523,594</u>	<u>1,359,796</u>
	<u>3,286,010</u>	<u>2,948,360</u>
<b>NET ASSETS</b>		
Net assets invested in capital	293,632	289,990
Net assets restricted for transitional housing reserve fund	143,064	117,757
Net assets restricted for general purposes (note 6)	174,854	174,854
Unrestricted net assets	<u>22,748</u>	<u>(11,372)</u>
	<u>634,298</u>	<u>571,229</u>
	<u>\$ 3,920,308</u>	<u>\$ 3,519,589</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, 2016**

	Invested in capital	Transitional housing reserve fund	Restricted for general purposes (note 6)	Unrestricted	2016 Total	2015 Total
<b>BALANCE - Beginning of year</b>	\$ 289,990	\$ 130,147	\$ 174,854	\$ (23,762)	\$ 571,229	\$ 497,678
- Excess (deficiency) of revenues over expenses	(74,274)			97,343	23,069	23,551
- Investment in capital	28,117			(28,117)		
- Decrease in long-term debt	49,799			(49,799)		
- Internal transfer				40,000	40,000	50,000
- Transfer to reserve fund	_____	<u>12,917</u>	_____	(12,917)	_____	_____
<b>BALANCE - End of year</b>	\$ <u>293,632</u>	\$ <u>143,064</u>	\$ <u>174,854</u>	\$ <u>22,748</u>	\$ <u>634,298</u>	\$ <u>571,229</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, 2016**

	2016	2015
<b>REVENUES</b>		
Federal		
Human Resource Development Canada		
Summer Career Placements	\$ -	\$ 22,265
Provincial		
Ministry of Health Promotion	74,089	74,646
Ministry of Education	700	-
Municipal		
City of Toronto		
Hostel Services - Mens per diem	1,505,507	1,470,002
850 - 854 Bloor Street Hostel Renovation	217,936	-
Social Housing Rent Supplement	169,587	178,870
Investing in Neighbourhood	71,423	89,461
Community Services Grant	67,580	66,180
Shelter Standards Implementation Fund	35,105	-
Homeless Initiative Fund		
Drop-in Services	208,219	223,817
Housing Help	89,907	87,593
One time funding	15,453	5,000
Off the Street, Into Shelter	-	64,789
United Way of Greater Toronto		
Core	145,760	140,760
Winter relief	8,323	8,000
Donor Choice Donations	965	1,689
Earned income		
Productive Enterprises	67,675	64,742
Rents	37,644	26,497
Corporate Fundraising		
Maple Leaf Sports and Entertainment	30,000	-
Loblaws Inc.	4,000	4,000
Telus Corporation	-	2,500
Foundations		
Ontario Trillium Foundation	18,750	75,000
Chum Charitable Foundation	6,500	6,500
Royal Bank Foundation	-	10,000
Other Agencies		
St. Stephen's Community House	27,100	49,487
West Neighbourhood House	8,810	-
Goodwill Industries	-	10,065
Individual Fundraising	10,637	105,420
Interest	3,331	1,566
	<u>2,825,001</u>	<u>2,788,849</u>
<b>EXPENSES (page 5)</b>	<u>2,801,932</u>	<u>2,765,298</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 23,069</u>	<u>\$ 23,551</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, 2016**

	2016	2015
<b>EXPENSES</b>		
Staffing	\$ 1,832,685	\$ 2,009,254
Building occupancy	448,197	227,176
Program supplies and expenses	260,535	239,631
Interest on long-term debt	48,825	39,607
Purchased services	45,269	74,590
Reserve for general purposes	40,000	50,000
Office expenses	35,634	37,294
Dues, subscriptions and memberships	6,576	3,605
Volunteer expenses	6,016	4,366
Equipment expenses	2,255	993
Promotion and publicity	1,644	573
Fundraising	22	4,239
Amortization	<u>74,274</u>	<u>73,970</u>
	<u>\$ 2,801,932</u>	<u>\$ 2,765,298</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, 2016**

	2016	2015
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>23,069</u>	\$ <u>23,551</u>
Adjustment for:		
Amortization of capital assets	74,274	73,970
Amortization of fully funded capital assets	79,671	68,546
Internal transfer	40,000	50,000
Fully funded capital assets	<u>253,040</u>	<u>-</u>
	<u>446,985</u>	<u>192,516</u>
Changes in non-cash working capital:		
Increase in withholding taxes payable	16,600	1,016
Increase in accounts receivable	(14,466)	(19,784)
(Increase) decrease in grants receivable	(374,177)	357,921
(Increase) decrease in prepaid and sundry assets	(14,396)	26,836
Decrease in accounts payable and accrued liabilities	(16,959)	(59,152)
Increase (decrease) in deferred revenue	<u>214,439</u>	<u>(382,786)</u>
	<u>(188,959)</u>	<u>(75,949)</u>
Cash flow from operating activities:	<u>281,095</u>	<u>140,118</u>
Cash flow for investing activities:		
Increase in capital assets	(281,156)	(404,062)
(Increase) decrease in temporary investments	<u>100,000</u>	<u>(100,000)</u>
	<u>(181,156)</u>	<u>(504,062)</u>
Cash flow from financing activities:		
Decrease in capital contributions from funders	(79,671)	(68,545)
Increase (decrease) in long-term debt	<u>(49,799)</u>	<u>350,516</u>
	<u>(129,470)</u>	<u>281,971</u>
Net decrease in cash and cash equivalents	(29,531)	(81,973)
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>183,152</u>	<u>265,125</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	\$ <u>153,621</u>	\$ <u>183,152</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, 2016

### 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, 2016**

...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, withholding taxes payable, 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, 2016**

...Continued

**3. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2016 Net	2015 Net
Real estate - 973 Lansdowne (Transitional Housing)	\$ 2,300,149	\$ 813,076	\$ 1,487,073	\$ 1,549,035
Real estate - 850 Bloor St. West	1,171,105	200,569	970,536	1,010,975
Real estate - 854 Bloor St. West	687,779	138,772	549,007	353,947
Furniture and appliances	232,358	154,108	78,250	37,396
Automobiles	93,897	78,686	15,211	21,730
Computer hardware	<u>53,709</u>	<u>49,913</u>	<u>3,796</u>	<u>3,579</u>
	\$ <u>4,538,997</u>	\$ <u>1,435,124</u>	\$ <u>3,103,873</u>	\$ <u>2,976,662</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**

	2016		2015	
	Total	Current	Total	Current
Royal Bank				
- 4.25% fixed rate demand loan	\$ 707,130	\$ 26,541	\$ 732,568	\$ 25,438
Royal Bank				
- 3.11% fixed rate demand loan	316,816	12,506	328,939	12,123
Royal Bank				
- 4.25% fixed rate demand loan	187,306	7,038	194,052	6,746
Honda Financial Services				
- 4.99% due July 30, 2016	<u>1,892</u>	<u>1,892</u>	<u>7,384</u>	<u>5,492</u>
	1,213,144	\$ <u>47,977</u>	1,262,943	\$ <u>49,799</u>
- Deduct current portion	<u>47,977</u>		<u>49,799</u>	
	\$ <u>1,165,167</u>		\$ <u>1,213,144</u>	

Continued...

**CHRISTIE/OSSINGTON NEIGHBOURHOOD CENTRE**

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

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

...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**

	2016	2015
Provincial		
Ministry of Education	\$ 2,000	\$ -
Ministry of Tourism and Culture	-	17,394
Municipal		
Homeless Initiative Fund		
- HIF - Drop-in	199,781	-
- Housing Help	8,363	10,154
Foundations		
Sue Cox Foundation	7,000	7,000
Ontario Trillium Foundation	-	18,750
Maple Leaf Sports and Entertainment	20,000	-
Health and Safety	15,000	-
850 - 854 Bloor Street renovation	13,883	-
Individual Fundraising	<u>1,710</u>	<u>-</u>
	<u>\$ 267,737</u>	<u>\$ 53,298</u>

**6. RESERVE FUND**

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