

**Dixon Hall  
(o/a Dixon Hall  
Neighbourhood Services)  
Financial Statements  
For the year ended March 31, 2023**

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## Independent Auditor's Report

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To the Board of Directors of Dixon Hall

### Opinion

We have audited the financial statements of Dixon Hall (the "Agency"), which comprise the statement of financial position as at March 31, 2023, 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 Agency as at March 31, 2023, 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 Agency 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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency'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 Agency'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 Agency'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 Agency 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
June 21, 2023

**Dixon Hall  
Statement of Financial Position**

**March 31** **2023** **2022**

**Assets**

**Current**

Cash	\$ 915,538	\$ 1,756,682
Investments (Note 2)	9,022,371	10,248,701
Accounts receivable (Note 3)	1,516,469	1,044,234
Grants receivable	3,558,059	331,491
Construction grants receivable	4,589,091	1,918,306
Prepaid expenses	272,980	285,694
	19,874,508	15,585,108

**Capital assets** (Note 4) **10,659,849** **7,755,104**

**\$ 30,534,357** **\$ 23,340,212**

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 3,037,620	\$ 2,580,145
Deferred contributions (Note 6)	19,200,603	12,802,740
Current portion of loans payable (Note 5)	40,419	146,858
	22,278,642	15,529,743

**Loans payable** (Note 5) **522,621** **561,951**

**Deferred capital contributions** (Note 7) **4,861,472** **5,130,282**

**27,662,735** **21,221,976**

**Commitments** (Note 9)  
**Contingencies** (Note 10)

**Net assets**

Unrestricted	2,818,114	2,064,728
Endowments (Note 8)	53,508	53,508
	2,871,622	2,118,236

**\$ 30,534,357** **\$ 23,340,212**

On behalf of the Board:



Director



Director

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

## Dixon Hall Statement of Operations

For the year ended March 31	2023	2022
<b>Revenue</b>		
City of Toronto	\$ 20,155,241	\$ 18,203,823
Province of Ontario	3,410,157	3,165,905
Government of Canada	1,074,963	278,760
Fundraising	1,103,200	1,361,533
United Way of Greater Toronto	746,115	785,593
User fees and other	1,005,070	868,975
Interest	244,724	39,239
Amortization of deferred capital contributions (Note 7)	343,455	402,199
	<b>28,082,925</b>	25,106,027
<b>Expenses (Note 12)</b>		
Housing and homelessness programs	19,817,167	17,972,425
Seniors programs	3,457,887	3,278,956
Neighbourhood programs	2,485,365	1,764,728
Employment programs	1,215,556	1,090,681
Infrastructure and support services	114,696	335,652
Community development programs	238,868	253,173
	<b>27,329,539</b>	24,695,615
<b>Excess of revenue over expenses</b>	<b>\$ 753,386</b>	<b>\$ 410,412</b>

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

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**Dixon Hall**  
**Statement of Changes in Net Assets**

**For the year ended March 31**

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	<b>Endowments Unrestricted</b>		<b>2023 Total</b>	<b>2022 Total</b>
<b>Net assets</b> , beginning of year	<b>\$ 53,508</b>	<b>\$ 2,064,728</b>	<b>\$ 2,118,236</b>	<b>\$ 1,707,824</b>
Excess of revenue over expenses for the year	-	<b>753,386</b>	<b>753,386</b>	<b>410,412</b>
<b>Net assets</b> , end of year	<b>\$ 53,508</b>	<b>\$ 2,818,114</b>	<b>\$ 2,871,622</b>	<b>\$ 2,118,236</b>

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

## Dixon Hall Statement of Cash Flows

For the year ended March 31	2023	2022
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 753,386	\$ 410,412
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets	530,189	567,236
Amortization of deferred capital contributions	(343,455)	(402,199)
Changes in non-cash working capital balances		
Accounts receivable	(472,235)	(298,819)
Grants receivable	(3,226,568)	429,485
Construction grants receivable	(2,670,785)	(1,834,908)
Prepaid expenses	12,714	(99,645)
Accounts payable and accrued liabilities	457,475	62,238
Deferred contributions	6,397,863	4,188,247
	<b>1,438,584</b>	<b>3,022,047</b>
<b>Investing activities</b>		
Purchase of capital assets	(3,434,934)	(932,457)
Redemption (purchase) of investments, net	1,226,330	(2,514,593)
Deferred capital contributions received	74,645	93,889
	<b>(2,133,959)</b>	<b>(3,353,161)</b>
<b>Financing activity</b>		
Repayment of loans payable	(145,769)	(45,540)
<b>Decrease in cash during the year</b>	<b>(841,144)</b>	<b>(376,654)</b>
<b>Cash, beginning of year</b>	<b>1,756,682</b>	<b>2,133,336</b>
<b>Cash, end of year</b>	<b>\$ 915,538</b>	<b>\$ 1,756,682</b>

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

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# Dixon Hall

## Notes to Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies

#### Purpose of the Agency

Dixon Hall (operating as Dixon Hall Neighbourhood Services) (the "Agency") was founded in 1929. The Agency's mission is to create lasting solutions to end poverty, social injustices and isolation in Toronto. The Agency operates over 50 plus programs and services designed to support this mission. The Agency works in partnership with other agencies, institutions, donors, corporate and government partners, and volunteers to provide a range of programs and services.

The Agency is incorporated under the Corporations Act (Ontario). As a registered charitable organization, the Agency is exempt from income taxes.

#### Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Revenue Recognition

The Agency follows the deferral method of accounting for contributions, which includes grants and donations. Grants and bequests are recorded in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the period in which the related expenses are recognized. Externally restricted endowment contributions are recognized as direct increases in net assets when recorded in the accounts. User fees are recognized when the services have been provided.

#### Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. The Agency provides for amortization using the straight-line basis over the assets' estimated useful lives as follows:

Buildings and improvements	20 years
Equipment	5 years
Leasehold improvements	term of the lease
Automotive	5 years

No amortization is taken on construction in process assets as these items are not complete and are not in use.



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## Dixon Hall Notes to Financial Statements

**March 31, 2023**

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### 1. **Significant Accounting Policies** (continued)

#### **Impairment of Long-lived Assets**

The Agency tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

#### **Deferred Capital Contributions**

Deferred capital contributions related to capital assets represent the unamortized portion of designated grants and donations for capital purchases.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

#### **Contributed Materials and Services**

Volunteers contribute numerous hours to the Agency in carrying out certain aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, they are not reflected in the financial statements.

Other contributed services and materials are also not recognized in the financial statements.

#### **Allocation of Expenses**

The Agency allocates salaries and benefits, premises, finance support services and amortization of capital assets to its charitable purposes. Allocation of salaries and benefits are based on the time spent by the employees on each function. Allocations of premises, support services and amortization are based on the number of staff, time spent, program requirements and office space utilization.

#### **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management's estimates and assumptions used in determining amortization methods and rates and useful life of capital assets are reviewed annually.

## Dixon Hall Notes to Financial Statements

**March 31, 2023**

### 2. Investments

Investments consist of cashable Guaranteed Investment Certificates (GICs) which have maturities ranging between October 2023 and March 2024 (2022 - September 2022 and March 2023) with interest rates of 2.50% to 3.35% and prime rate linked interest rates (2022 - 0.40% to 0.70%).

### 3. Accounts Receivable

	2023	2022
HST	\$ 1,519,993	\$ 1,026,269
Fees	56,740	78,086
Less: Allowance for doubtful accounts	(60,264)	(60,121)
	\$ 1,516,469	\$ 1,044,234

### 4. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 500,000	\$ -	\$ 500,000	\$ -
Buildings and improvements				
Heyworth House Shelter	1,544,624	1,518,965	1,544,624	1,496,034
Sumach and other locations	2,484,636	2,112,276	2,484,636	2,070,648
Children and Youth Centre	5,248,743	903,339	5,248,743	640,225
Equipment	1,872,205	1,567,487	1,741,338	1,466,423
Leasehold improvements	917,376	309,798	917,376	238,832
Automotive	271,776	230,824	271,776	200,338
Construction in process	4,463,178	-	1,159,111	-
	\$ 17,302,538	\$ 6,642,689	\$ 13,867,604	\$ 6,112,500
Net book value		\$ 10,659,849		\$ 7,755,104

## Dixon Hall Notes to Financial Statements

**March 31, 2023**

### 5. Loans Payable

	2023	2022
Term loan, \$5,170 monthly principal and interest, interest rate of 3.98%, secured by land and building at 192 Carlton Street, Toronto, Ontario due June 2024	\$ 563,040	\$ 600,797
Term loan, \$908 monthly principal and interest, interest rate of 3.01% secured by land and buildings at 2714 Danforth Avenue, Toronto, Ontario and 58 Sumach Street, Toronto, Ontario with a first charge general security agreement, due October 2022	-	108,012
	<b>563,040</b>	708,809
Less: current portion	<b>40,419</b>	146,858
	<b>\$ 522,621</b>	\$ 561,951

Principal repayments are as follows:

2024	\$ 40,419
2025	522,621
	<b>\$ 563,040</b>

Interest paid on the loans during the year totalled \$25,220 (2022 - \$29,453).

The Agency has the following credit facilities available:

- a) The Agency has a revolving demand facility with the bank in the amount of \$2,500,000 bearing an interest rate of prime, secured by 58 Sumach Street and 2714 Danforth Avenue, Toronto, Ontario. As at March 31, 2023, the Agency has an outstanding balance of \$Nil (2022 - \$Nil).
- b) The Agency also has a revolving demand facility of \$500,000 bearing an interest rate of prime, secured by 58 Sumach Street and 2714 Danforth Avenue, Toronto, Ontario. As at March 31, 2023, the Agency has an outstanding balance of \$Nil (2022 - \$Nil).

As security the Agency has provided a general security agreement providing a first ranking security interest in all personal property of the Agency, a \$1,750,000 collateral mortgage on the lands and improvements located at 2714 Danforth Avenue, Toronto, Ontario and a \$2,625,000 collateral mortgage on the lands and improvements located at 58 Sumach Street, Toronto, Ontario.

## Dixon Hall Notes to Financial Statements

**March 31, 2023**

### 6. Deferred Contributions

	2023	2022
Balance beginning of year	\$ 12,802,740	\$ 8,614,493
Add: Funds received or receivable during the year	33,892,608	28,852,837
Less: Revenue recognized during the year	(27,494,745)	(24,664,590)
Balance end of year	\$ 19,200,603	\$ 12,802,740

### 7. Deferred Capital Contributions

	Capital assets	Children and Youth Centre fundraising	2023	2022
Balance beginning of year	\$ 603,099	\$ 4,527,183	\$ 5,130,282	\$ 5,438,592
Capital contributions received	47,855	26,790	74,645	93,889
Amounts recognized as revenue	(83,732)	(259,723)	(343,455)	(402,199)
Balance end of year	\$ 567,222	\$ 4,294,250	\$ 4,861,472	\$ 5,130,282

### 8. Endowment Net Assets

Endowment net assets consist of amounts that have been gifted to the Agency that must be held in perpetuity with the income used to provide support for the instruction of music to neighbourhood children.

### 9. Commitments

The Agency leases certain premises and office equipment. The minimum payments over the next four years are as follows:

2024	\$	116,285
2025		92,369
2026		82,999
2027		64,050

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**Dixon Hall**  
**Notes to Financial Statements**

**March 31, 2023**

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**10. Contingencies**

From time to time, the Agency is named as a defendant in legal actions. Although the amount of any liability that could arise with respect to current pending actions cannot be estimated, it is the opinion of management that final determination of these proceedings would not materially affect the financial position on the results of the Agency.

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**11. Financial Instrument Risks**

The Agency has the following risks associated with its financial instruments:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Agency is exposed to credit risk primarily with respect to its accounts receivable. The Agency manages this risk through regular monitoring of balances and continuous communication with debtors.

**Liquidity risk**

Liquidity risk is the risk that the Agency will encounter difficulty in meeting the obligations associated with its financial liabilities. The Agency is exposed to this risk through its accounts payable and accrued liabilities and loans payable. The Agency manages this risk through regular monitoring of cash flows generated from operations to meet its obligations.

**Dixon Hall  
Notes to Financial Statements**

**March 31, 2023**

**12. Allocation of Expenses**

	Neighbourhood programs	Housing and homelessness programs	Seniors programs	Employment programs	Community development programs	Infrastructure and support services	2023 Total	2022 Total
Salaries and benefits	\$ 1,451,706	\$11,184,242	\$ 2,456,665	\$ 848,385	\$ 197,824	\$ 38,370	\$ 16,177,192	\$15,056,773
Social, educational and food	276,211	2,812,485	531,133	172,047	2,971	332	3,795,179	2,855,092
Premises	73,965	3,058,788	108,948	-	3,052	2,828	3,247,581	3,223,870
Support services	408,752	2,648,836	284,047	187,726	34,774	15,263	3,579,398	2,992,644
Amortization of capital assets	274,731	112,816	77,094	7,398	247	57,903	530,189	567,236
	<b>\$ 2,485,365</b>	<b>\$19,817,167</b>	<b>\$ 3,457,887</b>	<b>\$ 1,215,556</b>	<b>\$ 238,868</b>	<b>\$ 114,696</b>	<b>\$ 27,329,539</b>	<b>\$ 24,695,615</b>