

Dixon Hall (o/a Dixon Hall Neighbourhood Services)
Financial Statements
March 31, 2025

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

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For the year ended March 31, 2025

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Independent Auditor's Report

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, 2025, 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, 2025, 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 Auditors 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.

Other Matter

The financial statement for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on June 28, 2024

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Mississauga, Ontario

June 26, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

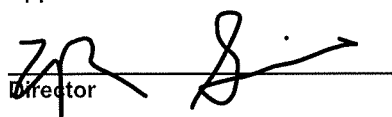
Dixon Hall (o/a Dixon Hall Neighbourhood Services)

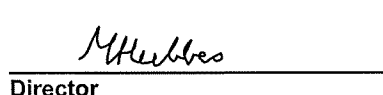
Statement of Financial Position

As at March 31, 2025

	2025	2024
Assets		
Current		
Cash	296,247	641,444
Investments (Note 3)	18,026,174	8,334,284
Accounts receivable (Note 4)	1,631,357	1,842,408
Grants receivable	787,467	5,272,394
Construction grants receivable	3,265,959	5,133,889
Prepaid expenses and deposits	253,621	258,669
	24,260,825	21,483,088
Capital assets (Note 5)	23,441,713	20,438,965
	47,702,538	41,922,053
Liabilities		
Current		
Accounts payable and accruals	5,943,150	5,647,046
Deferred contributions (Note 7)	15,699,786	14,535,397
Current portion of long-term debt (Note 6)	-	521,846
	21,642,936	20,704,289
Deferred contributions (Note 7)	13,039,995	12,925,193
Deferred capital contributions (Note 8)	8,835,122	4,670,440
	43,518,053	38,299,922
Contingencies (Note 10)		
Commitments (Note 11)		
Net Assets		
Unrestricted	4,130,977	3,568,623
Endowments (Note 9)	53,508	53,508
	4,184,485	3,622,131
	47,702,538	41,922,053

Approved on behalf of the Board


Director


Director

The accompanying notes are an integral part of these financial statements

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Statement of Operations

For the year ended March 31, 2025

	2025	2024
Revenue		
Grant revenue		
City of Toronto	22,445,206	23,123,604
Province of Ontario	3,844,545	3,679,983
Government of Canada	1,529,527	1,464,586
United Way of Greater Toronto	747,114	746,115
Fundraising	1,371,501	993,172
User fees and other	1,162,795	880,293
Rental income	625,107	-
Interest Income	614,402	422,663
Amortization of deferred capital contributions (Note 8)	474,952	352,553
	32,815,149	31,662,969
Expenses		
Housing and homelessness programs	22,828,419	22,699,547
Seniors programs	3,746,587	3,555,949
Neighbourhood programs	3,094,615	3,097,441
Employment services programs	1,655,252	1,322,295
Infrastructure and support services	679,942	-
Community development programs	247,980	237,228
	32,252,795	30,912,460
Total expenses		
	32,252,795	30,912,460
Excess of revenue over expenses	562,354	750,509

The accompanying notes are an integral part of these financial statements

Dixon Hall (o/a Dixon Hall Neighbourhood Services)
Statement of Changes in Net Assets
For the year ended March 31, 2025

	<i>Endowments</i>	<i>Unrestricted</i>	2025	2024
Net assets beginning of year	53,508	3,568,623	3,622,131	2,871,622
Excess of revenue over expenses	-	562,354	562,354	750,509
Net assets, end of year	53,508	4,130,977	4,184,485	3,622,131

The accompanying notes are an integral part of these financial statements

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Statement of Cash Flows

For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	562,354	750,509
Amortization	637,792	522,952
Amortization of deferred capital contributions	(474,952)	(352,553)
	725,194	920,908
Changes in working capital accounts		
Accounts receivable	211,051	(325,939)
Grants receivable	4,484,927	(1,714,335)
Construction grants receivable	1,867,930	(1,041,585)
Prepaid expenses and deposits	5,048	14,311
Accounts payable and accruals	296,104	2,609,426
Deferred contributions	1,279,191	4,167,956
	8,869,445	4,630,742
Financing		
Repayment of loan payable	(521,846)	(41,194)
Deferred capital contributions received	4,639,634	161,521
	4,117,788	120,327
Investing		
Purchase of investments, net	(9,691,890)	-
Redemption of investments, net	-	688,087
Purchase of capital assets	(3,640,540)	(5,713,250)
	(13,332,430)	(5,025,163)
Decrease in cash	(345,197)	(274,094)
Cash, beginning of year	641,444	915,538
Cash, end of year	296,247	641,444

The accompanying notes are an integral part of these financial statements

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Notes to the Financial Statements

For the year ended March 31, 2025

1. Incorporation and nature of the organization

Dixon Hall (o/a 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.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Agency follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Deferred contributions represent grant revenue received that is externally restricted for future expenditures.

Contributions restricted for the acquisition of capital assets are deferred and amortized into revenue as the related capital assets are amortized.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized at the following rates using the straight line method, intended to amortize the assets over their estimated useful lives. No amortization is taken on construction in process assets as these items are not complete and are not in use.

Buildings and improvements	20 years
Automotive	5 years
Equipment	5 years
Leasehold improvements	lease terms

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 contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Agency's assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Dixon Hall (o/a Dixon Hall Neighbourhood Services)
Notes to the Financial Statements
For the year ended March 31, 2025

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Agency recognizes financial instruments when the Agency becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Agency may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Agency has made such an election during the year.

The Agency subsequently measures investments in equity instruments quoted in an active market and all derivative instruments. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Agency assesses impairment of all its financial assets measured at cost or amortized cost. The Agency groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Agency determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Agency reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Agency reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

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.

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Notes to the Financial Statements

For the year ended March 31, 2025

2. Significant accounting policies (Continued from previous page)

Use of estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Grants receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the periods in which they become known.

3. Investments

Investments consist of cashable Guaranteed Investment Certificates (GICs) which have maturities ranging between May 2025 and January 2026 (2024 - October 2024 and February 2025) with interest rates of 3.45% to 5.20% and prime rate linked interest rates (2024 - 4.00% to 5.20%).

4. Accounts receivable

	2025	2024
HST receivable	1,546,966	1,864,048
Accounts receivable	144,656	38,624
Allowance for doubtful accounts	(60,265)	(60,264)
	1,631,357	1,842,408

5. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	500,000	-	500,000	500,000
Buildings and improvements	15,286,110	5,687,070	9,599,040	5,026,778
Automotive	271,776	269,414	2,362	10,466
Equipment	2,199,828	1,804,546	395,282	345,047
Leasehold improvements	50,505	43,649	6,856	9,327
Construction in process	12,938,173	-	12,938,173	14,547,347
	31,246,392	7,804,679	23,441,713	20,438,965

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Notes to the Financial Statements

For the year ended March 31, 2025

6. Credit facilities

Term loan, with \$5,170 monthly principal and interest, interest rate of 3.98%, and secured by land and building at 192 Carlton Street, Toronto, Ontario was due June 2024. The loan has been fully repaid.

The Agency has the following credit facilities available:

- 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, 2025, the Agency has an outstanding balance of \$Nil (2024 - \$Nil).
- 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, 2025, the Agency has an outstanding balance of \$Nil (2024 - \$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.

7. Deferred contributions

	2025	2024
Balance, beginning of year	27,460,590	23,292,634
Amount received during the year	32,379,879	35,055,707
Less: Amount recognized as revenue during the year	(31,100,688)	(30,887,751)
Subtotal	28,739,781	27,460,590
Less: current portion	15,699,786	14,535,397
Balance, end of year	13,039,995	12,925,193

8. Deferred contributions related to capital assets

	2025	2024
Balance, beginning of year	4,670,440	4,861,472
Amount received during the year	4,639,634	161,521
Less: Amounts recognized as revenue during the year	(474,952)	(352,553)
Balance, end of year	8,835,122	4,670,440

9. 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.

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.

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Notes to the Financial Statements

For the year ended March 31, 2025

11. Commitments

The Agency has entered into various lease agreements with estimated minimum annual payments as follows:

2026	82,504
2027	64,226
	146,730

12. Financial instruments

The Agency, as part of its operations, carries a number of financial instruments. It is management's opinion that the Agency is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The Agency is exposed to credit risk in the event of non-performance by counterparties in connection with its grant's receivable. 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.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Agency is exposed to interest rate risk on its short-term investments when the value of these financial instruments fluctuates due to change in market interest rates.

Liquidity risk

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

Dixon Hall (o/a Dixon Hall Neighbourhood Services)
Allocation of Expenses
For the year ended March 31, 2025

	Neighbourhood programs	Housing homelessness programs	Seniors programs	Employment services program	Community development programs	Infrastructure and support services	2025	2024
Salaries and benefits	1,719,805	11,824,206	2,741,370	1,095,175	176,404	419,161	17,976,121	16,748,248
Social, educational and food	464,812	4,147,827	522,999	275,148	2,408	6,457	5,419,651	5,547,844
Premises	86,137	3,467,929	131,151	22,314	10,903	28,505	3,746,939	3,658,671
Support services	544,086	3,213,289	283,431	236,181	41,335	153,970	4,472,292	4,434,745
Amortization of capital assets	279,775	175,168	67,636	26,434	16,930	71,849	637,792	522,952
	3,094,615	22,828,419	3,746,587	1,655,252	247,980	679,942	32,252,795	30,912,460