

Dixon Hall (o/a Dixon Hall Neighbourhood Services)
Financial Statements
March 31, 2026

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

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For the year ended March 31, 2026

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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, 2026, 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, 2026, 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.

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 24, 2026

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, 2026

	2026	2025
Assets		
Current		
Cash	2,052,002	296,247
Investments (Note 3)	12,427,055	18,026,174
Accounts receivable (Note 4)	3,137,682	1,631,357
Grants receivable	1,671,912	787,467
Construction grants receivable	-	3,265,959
Prepaid expenses and deposits	344,884	253,621
	19,633,535	24,260,825
Capital assets (Note 5)	26,479,708	23,441,713
	46,113,243	47,702,538
Liabilities		
Current		
Accounts payable and accruals	3,681,607	5,943,150
Deferred contributions (Note 7)	13,719,900	15,699,786
	17,401,507	21,642,936
Deferred contributions (Note 7)	24,260	13,039,995
Deferred capital contributions (Note 8)	23,744,861	8,835,122
	41,170,628	43,518,053
Contingencies (Note 10)		
Commitments (Note 11)		
Net Assets		
Unrestricted	4,643,509	4,130,977
Endowments (Note 9)	53,508	53,508
Contingency fund (Note 12)	125,391	-
Capital reserve fund (Note 12)	120,207	-
	4,942,615	4,184,485
	46,113,243	47,702,538

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, 2026

	2026	2025
Revenue		
Grant revenue		
City of Toronto	22,018,212	22,445,206
Province of Ontario	3,956,836	3,844,545
Government of Canada	1,682,191	1,529,527
United Way of Greater Toronto	746,114	747,114
Fundraising	1,461,965	1,371,501
User fees and other	928,174	1,162,795
Rental income	1,674,000	625,107
Interest Income	443,955	614,402
Amortization of deferred capital contributions (Note 8)	638,481	474,952
	33,549,928	32,815,149
Expenses		
Housing and homelessness programs	23,598,163	22,828,419
Seniors programs	3,456,030	3,746,587
Neighbourhood programs	3,190,795	3,094,615
Employment services programs	1,797,236	1,655,252
Infrastructure and support services	733,185	679,942
Community development programs	16,389	247,980
Total expenses	32,791,798	32,252,795
Excess of revenue over expenses	758,130	562,354

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, 2026

	<i>Endowments</i>	<i>Capital Reserve fund</i>	<i>Contingency fund</i>	<i>Unrestricted</i>	<i>2026</i>	<i>2025</i>
Net assets beginning of year	53,508	-	-	4,130,977	4,184,485	3,622,131
Excess of revenue over expenses	-	-	-	758,130	758,130	562,354
Inter-fund transfer	-	120,207	125,391	(245,598)	-	-
Net assets, end of year	53,508	120,207	125,391	4,643,509	4,942,615	4,184,485

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, 2026

	2026	2025
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	758,130	562,354
Amortization	740,678	637,792
Amortization of deferred capital contributions	(638,481)	(474,952)
	860,327	725,194
Changes in working capital accounts		
Accounts receivable	(1,506,325)	211,051
Grants receivable	(884,445)	4,484,927
Construction grants receivable	3,265,959	1,867,930
Prepaid expenses and deposits	(91,263)	5,048
Accounts payable and accruals	(2,261,543)	296,104
Deferred contributions	(5,245,545)	1,279,191
	(5,862,835)	8,869,445
Financing		
Repayment of loan payable	-	(521,846)
Deferred capital contributions received	5,798,144	4,639,634
	5,798,144	4,117,788
Investing		
Purchase of investments, net	5,599,119	(9,691,890)
Purchase of capital assets	(3,778,673)	(3,640,540)
	1,820,446	(13,332,430)
Decrease in cash	1,755,755	(345,197)
Cash, beginning of year	296,247	641,444
Cash, end of year	2,052,002	296,247

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, 2026

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:

Fund accounting

The Agency follows the deferral method of accounting for contributions and reports using fund accounting, and maintains 4 funds: unrestricted net assets, endowment, capital reserve fund and contingency fund.

The unrestricted net assets reports the Agency's revenue and expenses related to program delivery and administrative activities.

The endowment was received to provide for a program to recognize and/or educate hospice volunteers. Investment income earned on resources of the endowment is deferred and recognized as revenue in the unrestricted fund when the related program expenses are incurred.

The capital reserve fund was established under the Condominium Act and enforced by the City of Toronto for non-profit/social housing providers operating under City agreements.

The contingency fund is internally restricted and was created by the Board of Directors in fiscal 2026 to establish a source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

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.

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.

Dixon Hall (o/a Dixon Hall Neighbourhood Services)
Notes to the Financial Statements
For the year ended March 31, 2026

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 not 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.

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

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Notes to the Financial Statements

For the year ended March 31, 2026

2. Significant accounting policies (Continued from previous page)

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.

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.

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.

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.

3. Investments

	2026	2025
Cashable Guaranteed Investment Certificates (GICs) which have maturities ranging between October 2026 and February 2027 (2025 - May 2025 and January 2026) with prime rate linked interest at prime less 2% or a fixed interest rate of 2.00% (2025 - 3.45% to 5.20%), measured at amortized cost	12,184,760	17,832,290
Money market fund measured at fair value	143,864	140,339
Equity investment measured at fair value	98,431	53,545
	12,427,055	18,026,174

4. Accounts receivable

	2026	2025
HST receivable	2,875,294	1,546,966
Accounts receivable	322,653	144,656
Allowance for doubtful accounts	(60,265)	(60,265)
	3,137,682	1,631,357

Dixon Hall (o/a Dixon Hall Neighbourhood Services)

Notes to the Financial Statements

For the year ended March 31, 2026

5. Capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	500,000	-	500,000	500,000
Buildings and improvements	31,643,178	6,280,907	25,362,271	9,599,040
Automotive	280,230	241,292	38,938	2,362
Equipment	2,519,713	1,945,725	573,988	395,282
Leasehold improvements	50,505	45,994	4,511	6,856
Construction in process	-	-	-	12,938,173
	34,993,626	8,513,918	26,479,708	23,441,713

6. Credit facilities

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, 2026, the Agency has an outstanding balance of \$Nil (2025 - \$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, 2026, the Agency has an outstanding balance of \$Nil (2025 - \$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

	2026	2025
Balance, beginning of year	28,739,781	27,460,590
Amount received during the year	15,487,871	32,379,879
Less: Amount recognized as revenue during the year	(30,483,492)	(31,100,688)
Subtotal	13,744,160	28,739,781
Less: current portion	13,719,900	15,699,786
Balance, end of year	24,260	13,039,995

8. Deferred contributions related to capital assets

	2026	2025
Balance, beginning of year	8,835,122	4,670,440
Amount received during the year	5,798,143	4,639,634
Capital asset additions during the year	9,750,077	-
Less: Amounts recognized as revenue during the year	(638,481)	(474,952)
Balance, end of year	23,744,861	8,835,122

Dixon Hall (o/a Dixon Hall Neighbourhood Services)
Notes to the Financial Statements
For the year ended March 31, 2026

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.

11. Commitments

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

2027	64,226
	<u>64,226</u>

12. Inter-fund transfer

During the year, the Board of Directors established an internally restricted contingency fund by an appropriation from the unrestricted net assets. The purpose of the contingency fund is to establish a source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

During the year, the Board of Directors established an externally restricted capital reserve fund by an appropriation from the unrestricted net assets under the Condominium Act and enforced by the City of Toronto for non-profit/social housing providers operating under agreements. Withdrawal from the fund requires approval from the City of Toronto.

13. 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, 2026

	<i>Neighbourhood programs</i>	<i>Housing homelessness programs</i>	<i>Seniors programs</i>	<i>Employment services program</i>	<i>Community development programs</i>	<i>Infrastructure and support services</i>	2026	2025
Salaries and benefits	1,794,739	12,549,678	2,501,118	1,239,631	11,973	416,330	18,513,469	17,976,121
Social, educational and food	478,016	3,377,096	496,996	212,353	-	3,199	4,567,660	5,419,651
Premises	120,157	3,832,443	135,077	36,516	-	23,846	4,148,039	3,746,939
Support services	518,713	3,596,042	258,834	238,732	4,416	205,215	4,821,952	4,472,292
Amortization of capital assets	279,170	242,904	64,005	70,004	-	84,595	740,678	637,792
	3,190,795	23,598,163	3,456,030	1,797,236	16,389	733,185	32,791,798	32,252,795