

Financial statements of

CHRISTIE REFUGEE WELCOME CENTRE INC.

December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CHRISTIE REFUGEE WELCOME CENTRE INC.

Opinion

We have audited the financial statements of Christie Refugee Welcome Centre Inc. ("the Centre"), which comprise the statement of financial position as at December 31, 2020, and the statements of revenue and expense, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2020, 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 Centre 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 doubt on the Centre'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 Centre 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.

TORONTO, Ontario
June 14, 2021



Licensed Public Accountants

CHRISTIE REFUGEE WELCOME CENTRE INC.
Statement of Financial Position

As at December 31,	2020	2019
Assets		
Current		
Cash	\$ 629,913	\$ 403,389
Accounts receivable (note 3)	66,098	-
Public service body rebate receivable	49,158	24,981
Prepaid expenses	3,921	4,826
	749,090	433,196
Capital assets (note 4)	2,123,893	2,007,170
	\$ 2,872,983	\$ 2,440,366
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (note 5)	\$ 127,778	\$ 47,157
Term loan (note 6(b))	14,387	136,152
Deferred revenue	316,010	221,781
	458,175	405,090
Term loan (note 6(b))	107,377	-
Deferred capital contributions (note 7)	683,109	569,954
	1,248,661	975,044
Net assets		
Net investment in capital assets (note 8)	1,391,619	1,372,164
Internally restricted (note 9)	60,000	-
Unrestricted	172,703	93,158
	1,624,322	1,465,322
	\$ 2,872,983	\$ 2,440,366

See accompanying notes to financial statements.

On behalf of the Board of Directors:

Alex Sancton Director

John Brown Director

CHRISTIE REFUGEE WELCOME CENTRE INC.
Statement of Revenue and Expense

Years ended December 31,	2020	2019
Revenue		
City of Toronto:		
Per diem allowance	\$ 1,496,971	\$ 1,383,319
Housing Help Funding	144,117	145,732
COVID-19 funding	83,620	-
	1,724,708	1,529,051
Grants	290,070	128,824
Donations from the public	189,532	176,139
Government of Ontario	68,742	120,746
Government of Canada - Temporary Wage Subsidy	25,000	-
- Canada Summer Jobs program	8,154	8,672
Other	3,445	5,606
	2,309,651	1,969,038
Expense		
Salaries and benefits (note 10)	1,401,627	1,268,631
Client needs	278,774	106,860
Materials and services	133,505	143,060
Food services	128,629	119,860
Building maintenance and services	55,349	57,102
Utilities	39,134	59,173
Insurance	23,286	22,063
Transportation and communication	19,068	19,684
Interest and bank charges	10,158	11,747
	2,089,530	1,808,180
Excess of revenue over expense for the year before undernoted items	220,121	160,858
Amortization of deferred capital contributions	83,344	71,387
Amortization of capital assets	(144,465)	(134,368)
Excess of revenue over expense for the year	\$ 159,000	\$ 97,877

See accompanying notes to financial statements.

CHRISTIE REFUGEE WELCOME CENTRE INC.

Statement of Changes in Net Assets

Year ended December 31,	Net investment in capital assets	Internally restricted	Unrestricted	2020
Balance, beginning of year	\$ 1,372,164	\$ -	\$ 93,158	\$ 1,465,322
Excess (deficiency) of revenue over expense (note 8(b))	(61,121)	-	220,121	159,000
Net change in investment in capital assets (note 8(b))	80,576	-	(80,576)	-
Transfers	-	60,000	(60,000)	-
Balance, end of year	\$ 1,391,619	\$ 60,000	\$ 172,703	\$ 1,624,322

Year ended December 31,	Net investment in capital assets	Internally restricted	Unrestricted	2019
Balance, beginning of year	\$ 1,405,099	\$ -	\$ (37,653)	\$ 1,367,446
Excess (deficiency) of revenue over expense (note 8(b))	(62,981)	-	160,857	97,877
Net change in investment in capital assets (note 8(b))	30,046	-	(30,046)	-
Balance, end of year	\$ 1,372,164	\$ -	\$ 93,158	\$ 1,465,322

See accompanying notes to financial statements.

CHRISTIE REFUGEE WELCOME CENTRE INC.**Statements of Cash Flows**

Year ended December 31,	2020	2019
Cash provided (used) by operating activities:		
Excess of revenue over expense for the year	\$ 159,000	\$ 97,877
Items not requiring an outlay of cash:		
Amortization of deferred capital contributions	(83,344)	(71,387)
Amortization of capital assets	144,465	134,368
	220,121	160,858
Net change in non-cash working capital balances:		
Accounts receivable	(66,098)	21,957
Public service body rebate receivable	(24,177)	(11,742)
Prepaid expenses	905	(3,383)
Accounts payable and accrued liabilities	80,621	(7,105)
Deferred revenue	94,229	79,732
	85,480	79,459
Net cash provided by operating activities	305,601	240,317
Cash provided (used) by investing and financing activities:		
Deferred capital contributions	196,499	22,000
Repayment of long term debt	(14,388)	(14,387)
Purchase of capital assets	(261,188)	(15,659)
Net cash used by investing and financing activities	(79,077)	(8,046)
Increase in cash	226,524	232,271
Cash, beginning of year	403,389	171,118
Cash, end of year	\$ 629,913	\$ 403,389

See accompanying notes to financial statements.

CHRISTIE REFUGEE WELCOME CENTRE INC.

Notes to the Financial Statements

December 31, 2020

1 Organization

Christie Refugee Welcome Centre Inc. ("the Centre") is a Christian, non-profit, charitable organization serving and advocating for refugee families. Following Christ's example, the Centre serves people through the ownership and operation of a shelter in Toronto, providing temporary housing and follow-up support to refugee claimants regardless of race, religion or gender.

The Centre was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act in October 2014. The Centre is a registered charity under the *Income Tax Act (Canada)* and accordingly is exempt from income taxes.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, except as described below, and include the following significant accounting policies:

(a) Cash

Cash includes cash on hand and deposits in the bank.

(b) Capital assets

The Centre records capital assets at cost. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

When conditions indicate a capital asset no longer contributes to the Centre's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost. As at December 31, 2020, no such impairment exists.

Capital assets are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Buildings and building improvements	6.7%
Furniture and fixtures	10.0%
Playground	10.0%

(c) Revenue recognition

The Centre follows the deferral method of accounting for contributions which include grants and donations.

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. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(d) Financial instruments

(i) Measurement

The Centre initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Centre subsequently measures all its financial assets and financial liabilities at amortized cost.

CHRISTIE REFUGEE WELCOME CENTRE INC.

Notes to the Financial Statements

December 31, 2020

2 Significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Impairment

At the end of each reporting period, the Centre assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Centre. When there is an indication of impairment, the Centre determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

There are no indications of impairment of financial assets as at December 31, 2020.

(iii) Transaction costs

Transaction costs are recognized in the statement of revenue and expense in the period incurred, except for transaction costs associated with financial instruments that will be subsequently measured at amortized cost. Transaction costs associated with the acquisition and disposal of fixed income investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal.

(e) Management 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. All estimates are reviewed periodically and adjustments are made to the statement of revenue and expense as appropriate in the year they become known.

3 Accounts receivable

Included in accounts receivable are \$56,153 of government and other grants related to the current year.

4 Capital assets

As at December 31,	2020			2019
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,125,000	\$ -	\$ 1,125,000	\$ 1,125,000
Buildings and building improvements	3,439,328	2,628,243	811,085	719,715
Furniture and fixtures	131,389	41,194	90,195	49,824
Telephone and fax	16,587	16,587	-	-
Playground	150,174	52,561	97,613	112,631
	\$ 4,862,478	\$ 2,738,585	\$ 2,123,893	\$ 2,007,170

CHRISTIE REFUGEE WELCOME CENTRE INC.

Notes to the Financial Statements

December 31, 2020

5 Accounts payable and accrued liabilities

As at December 31,	2020	2019
Trade payables and accrued liabilities	\$ 113,510	\$ 40,528
Payroll related accruals	14,268	6,629
	\$ 127,778	\$ 47,157

6 Credit facilities

(a) Bank indebtedness

The Centre has an operating line of credit facility available up to \$175,000. The revolving credit facility bears interest at the bank's prime rate plus 1.5% per annum. At December 31, 2020, no amounts were drawn on this facility.

(b) Term loan

The term loan bears interest at the bank's prime rate plus 1.50% per annum and is repayable in monthly installments of \$1,199 plus interest and matures on June 25, 2029.

Both facilities are secured by a General Security Agreement, a collateral mortgage on 39-49 Christie Street in the amount of \$2,480,000 and an assignment of fire insurance.

7 Deferred capital contributions

Deferred capital contributions represent the unamortized amount of donations for the purchase of capital assets and contributed capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of revenue and expenditures.

As at December 31,	2020	2019
Balance, beginning of year	\$ 569,954	\$ 619,341
Additional contributions received	196,499	22,000
Less: amounts amortized to revenue	(83,344)	(71,387)
Balance, end of year	\$ 683,109	\$ 569,954

Included in deferred capital contributions is \$72,600 (2019 - \$71,100) in unspent funding.

8 Investment in capital assets

(a) Net investment in capital assets is calculated as follows:

Year ended at December 31,	2020	2019
Capital assets	\$ 2,123,893	\$ 2,007,170
Amounts financed by deferred capital contributions, net of unspent amounts	(610,510)	(498,854)
Term loan	(121,764)	(136,152)
Balance, end of year	\$ 1,391,619	\$ 1,372,164

CHRISTIE REFUGEE WELCOME CENTRE INC.

Notes to the Financial Statements

December 31, 2020

8 Investment in capital assets (continued)

(b) Net change in investment in capital assets is calculated as follows:

Year ended at December 31,	2020	2019
Deficiency of revenue over expenditures:		
Amortization of capital assets	\$ (144,465)	\$ (134,368)
Amortization of deferred capital contributions	83,344	71,387
	\$ (61,121)	\$ (62,981)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 261,188	\$ 15,659
Amounts funded by deferred capital contributions	(195,000)	-
Term loan	14,388	14,387
Balance, end of year	\$ 80,576	\$ 30,046

9 Internally restricted net assets

The Board of Directors has set aside \$60,000 (2019 - \$Nil) for the purposes of loan repayments and other Board-approved spending.

10 Employee benefits

The Centre contributes to a multi-employer defined contribution pension plan. The assets of the plan are administered by the Canadian Council of Christian Charities Registered Pension Plan.

The contribution expensed by the Centre for the year amounted to \$31,735 (2019 - \$26,656).

11 Economic dependence

The City of Toronto funding represents approximately 75% (2019 - 78%) of total revenue. In management's opinion, the Centre's continuing operations are dependent on the continuance of these grants.

CHRISTIE REFUGEE WELCOME CENTRE INC.

Notes to the Financial Statements

December 31, 2020

12 Financial instruments

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure and concentrations. The financial instruments and the nature of the risks to which they may be subject are as follows:

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 Centre is exposed to credit risk through its cash and accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet a demand for cash or fund its obligations as they come due. The Centre meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and maintaining a line of credit facility.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

The Centre is not exposed to currency risk or other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Centre's cash includes amounts on deposit with financial institutions that earn interest at market rates. The Centre manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis.

The Centre is also exposed to interest rate risk through its variable rate term loan and overdraft facility.

Changes in risk

There have been no significant changes in the Centre's risk exposures from the prior year.