

GERSTEIN CRISIS CENTRE

FINANCIAL STATEMENT

MARCH 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gerstein Crisis Centre

I have audited the accompanying financial statements of Gerstein Crisis Centre, which comprise the statement of financial position as at March 31, 2016 and the statements of operations and surplus and cash flows for the year ended March 31, 2016 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Canadian accounting standards for not-for-profit organizations as modified by the Ministry of Health and Long-Term Care of the Province of Ontario's requirements as stated in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the company derives revenue from fundraising events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the company and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and organization surplus.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Gerstein Crisis Centre as at March 31, 2016 and the results of its operations and its cash flows for the year ended March 31, 2016 in accordance with the Canadian accounting standards for not-for-profit organizations as modified by the Ministry of Health and Long-Term Care of the Province of Ontario's requirements as stated in Note 2.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Gerstein Crisis Centre to comply with the financial reporting requirements of the Ministry of Health and Long-Term Care. As a result, the financial statements may not be suitable for another purpose.

AURORA, Ontario
June 20, 2016

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GERSTEIN CRISIS CENTRE
STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash | \$ 473,168 | \$ 250,971 |
| HST recoverable | 47,932 | 44,099 |
| Accounts receivable, net | 34,142 | 22,530 |
| Prepaid expenses | <u>47,215</u> | <u>22,112</u> |
| | <u>602,457</u> | <u>339,712</u> |
| Premises | | |
| 100 Charles Street East | <u>2,589,569</u> | <u>2,589,569</u> |
| | <u>\$ 3,192,026</u> | <u>\$ 2,929,281</u> |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 371,439 | \$ 140,350 |
| Deferred Revenue (Note 6) | <u>50,813</u> | <u>0</u> |
| | <u>422,252</u> | <u>140,350</u> |
| Commitments (Note 8) | | |
| Fund Balances | | |
| 100 Charles Street East Funding (Note 7) | <u>2,640,402</u> | <u>2,640,402</u> |
| Ministry of Health and Long-Term Care | | |
| - Operating Fund (Schedule 1) | (42,696) | (34,384) |
| - Wellness and Recovery Program (Schedule 2) | 0 | (26,896) |
| - PSU Program (Schedule 3) | 0 | 0 |
| - Griffin Centre (Schedule 4) | 0 | 0 |
| - Substance Use Crisis Service (Schedule 5) | <u>1,412</u> | <u>1,412</u> |
| | <u>(41,284)</u> | <u>(59,868)</u> |
| Donations and Fundraising | | |
| - Support and Emergency Fund (Schedule 6) | 135,659 | 143,792 |
| - Wellness and Recovery Fund (Schedule 6) | 3,979 | 30,875 |
| - Reva Gerstein Legacy Fund (Schedule 7) | 6,618 | 7,451 |
| - Anne Harris Fund (Schedule 7) | <u>24,400</u> | <u>26,279</u> |
| | <u>170,656</u> | <u>208,397</u> |
| | <u>2,769,774</u> | <u>2,788,931</u> |
| | <u>\$ 3,192,026</u> | <u>\$ 2,929,281</u> |

APPROVED ON BEHALF OF THE ASSOCIATION



DIRECTOR



DIRECTOR

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE
COMBINED STATEMENT OF OPERATIONS

Year Ended March 31, 2016

| | 2016 | 2015 (Note 15) |
|---|------------------|-------------------|
| Revenues | | |
| Program funds (Note 3) | \$ 4,794,528 | \$ 4,655,866 |
| City of Toronto (Note 13) | 56,802 | 41,720 |
| Wellness and Recovery Program | 65,433 | 34,951 |
| Trillium grants | 27,387 | 0 |
| Interest and other income | <u>1,300</u> | <u>7,165</u> |
| | <u>4,945,450</u> | <u>4,739,702</u> |
| Expenditures | | |
| Salaries and benefits | 3,888,852 | 3,844,135 |
| Occupancy costs | 234,349 | 237,869 |
| Program | 209,444 | 133,477 |
| Food | 183,604 | 182,530 |
| Cleaning, repairs and maintenance | 97,319 | 91,350 |
| Telephone | 65,388 | 26,562 |
| Travel | 63,821 | 52,614 |
| Contracted services | 33,719 | 31,540 |
| Office | 21,930 | 23,626 |
| Equipment purchases | 20,520 | 13,256 |
| Equipment lease | 18,099 | 17,458 |
| Insurance | 13,288 | 14,906 |
| Bank charges | 10,599 | 9,928 |
| Staff and volunteer training/education | 9,515 | 8,900 |
| Audit | 8,835 | 8,099 |
| Meeting expenses | 8,044 | 6,848 |
| Accounting | 7,929 | 6,295 |
| Legal | 5,198 | 4,427 |
| Advertising | 3,889 | 2,455 |
| Subscriptions and publications | 2,289 | 3,163 |
| Sessional fees | <u>552</u> | <u>0</u> |
| | <u>4,907,183</u> | <u>4,719,438</u> |
| Excess of revenues over expenditures from operating activities | <u>38,267</u> | <u>20,264</u> |
| Non-Ministry funded revenue | 96,594 | 106,302 |
| Non-Ministry funded program expenditures | <u>(134,335)</u> | <u>(62,107)</u> |
| Excess (deficiency) of revenues over expenditures from Non-Ministry activities | <u>(37,741)</u> | <u>44,195</u> |
| Excess of funds from operating and Non-Ministry activities for the year | <u>\$ 526</u> | <u>\$ 64,459</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE
STATEMENT OF CASH FLOWS

Year Ended March 31, 2016

| | 2016 | 2015 |
|--|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Excess of funds from operating and Non-Ministry activities for the year | \$ 526 | \$ 64,459 |
| Net change in working capital items other than cash | | |
| (Increase) decrease in current assets | | |
| Accounts receivable | (11,612) | 1,077 |
| HST recoverable | (3,833) | 6,468 |
| Prepaid expenses | (25,103) | 15,737 |
| Increase (decrease) in current liabilities | | |
| Accounts payable and accrued liabilities | 231,089 | (104,804) |
| Deferred revenue | 50,813 | |
| | <u>241,880</u> | <u>(17,063)</u> |
| Cash Flows from Financing Activities | | |
| Prior year's surplus refunded | <u>(19,683)</u> | <u>(9,838)</u> |
| Net increase (decrease) in cash during year | 222,197 | (26,901) |
| Cash, beginning of year | <u>250,971</u> | <u>277,872</u> |
| Cash, end of year | <u>\$ 473,168</u> | <u>\$ 250,971</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE

Schedule 1

STATEMENT OF OPERATIONS MINISTRY OF HEALTH AND LONG-TERM CARE OPERATING FUND CHARLES STREET AND BLOOR STREET PROGRAMS

| | 2016 | 2015 |
|--|---------------------------|---------------------------|
| Year Ended March 31, 2016 | | |
| Revenues | | |
| Program funds (Note 3) | \$ 3,321,616 | \$ 3,225,068 |
| City of Toronto (Note 13) | 56,802 | 41,720 |
| MH sessional fees | 11,923 | 20,264 |
| Interest and other income | <u>1,300</u> | <u>7,165</u> |
| | 3,391,641 | 3,294,217 |
| Administration fees | <u>15,000</u> | <u>15,000</u> |
| | <u>3,406,641</u> | <u>3,309,217</u> |
| Expenditures | | |
| Salaries and benefits | 2,710,651 | 2,620,131 |
| Occupancy costs | 209,629 | 213,149 |
| Food | 108,882 | 107,814 |
| Cleaning and maintenance | 97,319 | 91,272 |
| Telephone | 59,216 | 19,052 |
| Program supplies | 49,054 | 67,668 |
| Travel | 42,318 | 36,319 |
| Equipment lease | 18,099 | 17,458 |
| Equipment purchases | 15,823 | 9,505 |
| Office | 13,657 | 14,542 |
| Insurance | 11,550 | 13,059 |
| Bank charges | 10,599 | 9,928 |
| Audit | 8,835 | 8,099 |
| Staff and volunteer training/education | 8,070 | 7,950 |
| Meeting expenses | 8,044 | 6,848 |
| Accounting | 7,929 | 6,295 |
| Legal | 5,198 | 4,427 |
| Advertising | 3,889 | 2,455 |
| Contracted services | 3,667 | 1,560 |
| Subscriptions and publications | 2,289 | 3,163 |
| Sessional fees | <u>552</u> | <u>0</u> |
| | <u>3,395,270</u> | <u>3,260,694</u> |
| Excess of revenues over expenditures for the year | 11,371 | 48,523 |
| Fund Balance , beginning of year | (34,384) | (73,069) |
| Operating Grant repayment of prior years' excess | (8,897) | (9,838) |
| Sessional fees - repayment of prior years' excess | <u>(10,786)</u> | <u>0</u> |
| Fund Balance , end of year | <u>\$ (42,696)</u> | <u>\$ (34,384)</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE

Schedule 2

STATEMENT OF OPERATIONS MINISTRY OF HEALTH AND LONG-TERM CARE OPERATING FUND WELLNESS AND RECOVERY PROGRAM

| | Year Ended March 31, 2016 | |
|---|---------------------------|--------------------|
| | 2016 | 2015 |
| Program Funds (Note 3) | | |
| Donations and Foundation grants allocated | \$ 65,433 | \$ 34,951 |
| Program funding | 67,275 | 16,820 |
| Trillium grant | <u>27,387</u> | <u>0</u> |
| | <u>160,095</u> | <u>51,771</u> |
| Expenditures | | |
| Salaries and benefits | 108,562 | 61,486 |
| Program | 13,190 | 0 |
| Travel | 6,925 | 3,905 |
| Office | 2,103 | 2,574 |
| Food | 1,569 | 992 |
| Training | 850 | 0 |
| Participant expenses | <u>0</u> | <u>9,710</u> |
| Total program costs | <u>133,199</u> | <u>78,667</u> |
| Excess (deficiency) of revenues over expenditures for the year | 26,896 | (26,896) |
| Fund Balance, beginning of year | <u>(26,896)</u> | <u>0</u> |
| Fund Balance, end of year | <u>\$ 0</u> | <u>\$ (26,896)</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE

Schedule 3

STATEMENT OF OPERATIONS
MINISTRY OF HEALTH AND LONG-TERM CARE OPERATING FUND
PRIMARY SUPPORT UNIT ("PSU") PROGRAM

| | Year Ended March 31, 2016 | |
|--|---------------------------|-------------------|
| | 2016 | 2015 |
| Program Funds (Note 3) | | |
| Program and one-time funding | \$ <u>263,316</u> | \$ <u>263,316</u> |
| Expenditures | | |
| Salaries and benefits | 197,047 | 197,047 |
| Food | 40,137 | 40,137 |
| Administrative | 10,000 | 10,000 |
| Program supplies | 9,742 | 9,742 |
| Professional fees | 3,393 | 3,393 |
| Office | 1,797 | 1,797 |
| Telephone | <u>1,200</u> | <u>1,200</u> |
| | <u>263,316</u> | <u>263,316</u> |
| Excess of revenues over expenditures for the year | 0 | 0 |
| Fund Balance , beginning of year | <u>0</u> | <u>0</u> |
| Fund Balance , end of year | \$ <u>0</u> | \$ <u>0</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE

Schedule 4

STATEMENT OF OPERATIONS MINISTRY OF HEALTH AND LONG-TERM CARE OPERATING FUND

GRIFFIN CENTRE

Year Ended March 31, 2016

| | 2016 | 2015 |
|--|----------------|----------------|
| Program Funds (Note 3) | | |
| Program funds | \$ 455,678 | \$ 455,678 |
| Rent supplements (Note 10) | <u>24,720</u> | <u>24,720</u> |
| | <u>480,398</u> | <u>480,398</u> |
| Expenditures | | |
| Salaries and benefits | 321,744 | 409,200 |
| Program | 128,934 | 41,478 |
| Rent supplement paid | 24,720 | 24,720 |
| Contracted services | <u>5,000</u> | <u>5,000</u> |
| | <u>480,398</u> | <u>480,398</u> |
| Excess of revenues over expenditures for the year | 0 | 0 |
| Fund Balance , beginning of year | <u>0</u> | <u>0</u> |
| Fund Balance , end of year | <u>\$ 0</u> | <u>\$ 0</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE

Schedule 5

**STATEMENT OF OPERATIONS
MINISTRY OF HEALTH AND LONG-TERM CARE OPERATING FUND
SUBSTANCE USE CRISIS SERVICE**

| | 2016 | 2015 |
|---|-------------------|-----------------|
| Program Funds (Note 3) | | |
| Program funds | \$ <u>650,000</u> | <u>650,000</u> |
| Expenditures | | |
| Salaries and benefits | 550,848 | 556,271 |
| Food | 33,016 | 33,587 |
| Contracted services | 26,659 | 26,587 |
| Travel | 14,578 | 12,390 |
| Program | 8,524 | 4,879 |
| Telephone | 4,972 | 6,310 |
| Equipment purchases | 4,697 | 3,751 |
| Computer supplies | 4,373 | 4,319 |
| Insurance | 1,738 | 1,847 |
| Staff education | 595 | 950 |
| Office | 0 | 394 |
| Repairs and maintenance | 0 | 78 |
| | <u>650,000</u> | <u>651,363</u> |
| Excess (deficiency) of revenues over expenditures for the year | 0 | (1,363) |
| Fund Balance, beginning of year | 1,412 | 2,775 |
| Operating Grant repaid | <u>0</u> | <u>0</u> |
| Fund Balance, end of year | <u>\$ 1,412</u> | <u>\$ 1,412</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE

Schedule 6

STATEMENT OF OPERATIONS AND FUND BALANCE

Year Ended March 31, 2016

2016

2015
(Note 15)

WELLNESS AND RECOVERY FUND (See Note 2(c))

Revenues

| | | |
|-------------------|---------------|---------------|
| Donations | \$ 19,344 | \$ 20,834 |
| Foundation grants | 34,000 | 35,000 |
| Training | <u>20,806</u> | <u>23,716</u> |
| | 74,150 | 79,550 |

Expenditures

| | | |
|--|----------------|---------------|
| Allocated to the Wellness and Recovery Program | 65,433 | 34,951 |
| Research, materials and expenses | 16,383 | 9,724 |
| Trainers | 13,094 | 0 |
| Travel | 3,322 | 0 |
| Food | 2,167 | 0 |
| Office supplies | 647 | 0 |
| Allocated to Anne Harris Fund | <u>0</u> | <u>4,000</u> |
| | 101,046 | 48,675 |

Excess (deficiency) of revenues over expenditures for the year (26,896) 30,875

Fund Balance, beginning of year 30,875 0

Fund Balance, end of year \$ 3,979 \$ 30,875

SUPPORT AND EMERGENCY FUND (See Note 2(c))

Revenues

| | | |
|---------------------------------|---------------|---------------|
| Donations and foundation grants | \$ 11,889 | \$ 12,753 |
| Interest | <u>405</u> | <u>0</u> |
| | 12,294 | 12,753 |

Expenditures

| | | |
|----------|---------------|--------------|
| Programs | <u>20,427</u> | <u>3,654</u> |
|----------|---------------|--------------|

Excess (deficiency) of revenues over expenditures for the year (8,133) 9,099

Fund Balance, beginning of year 143,792 134,693

Fund Balance, end of year \$ 135,659 \$ 143,792

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE

Schedule 7

STATEMENT OF OPERATIONS AND FUND BALANCE

| Year Ended March 31, 2016 | 2016 | 2015 |
|---|------------------|------------------|
| REVA GERSTEIN LEGACY FUND | | |
| (See Note 2(c)) | | |
| Revenue | | |
| Foundation grants | \$ 10,000 | \$ 10,000 |
| Expenditures | | |
| Program disbursements | <u>10,833</u> | <u>2,857</u> |
| Excess (deficiency) of revenues over expenditures for the year | (833) | 7,143 |
| Fund Balance, beginning of year | <u>7,451</u> | <u>308</u> |
| Fund Balance, end of year | <u>\$ 6,618</u> | <u>\$ 7,451</u> |
| ANNE HARRIS FUND | | |
| (See Note 2(c)) | | |
| Revenues | | |
| Honorariums and other income | \$ 150 | \$ 0 |
| Interest income | <u>0</u> | <u>4,000</u> |
| | 150 | 4,000 |
| Expenditures | | |
| Programs | <u>2,029</u> | <u>6,921</u> |
| Deficiency of expenditures over revenues for the year | (1,879) | (2,921) |
| Fund Balance, beginning of year | <u>26,279</u> | <u>29,200</u> |
| Fund Balance, end of year | <u>\$ 24,400</u> | <u>\$ 26,279</u> |

(The accompanying notes are an integral part of the financial statements)

GERSTEIN CRISIS CENTRE
NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2016

1. NATURE OF ORGANIZATION

The Gerstein Crisis Centre ("Gerstein Centre") is a non-profit registered charitable corporation, established in 1989. Through a range of programs and services, Gerstein Centre provides 24-hour, seven day a week crisis intervention to individuals who are dealing with serious and/or complex mental health and addiction issues and are currently experiencing mental health crisis.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with the basis of accounting prescribed by the Ministry of Health and Long-Term Care. The Ministry's requirements are in accordance with Canadian accounting standards for not-for-profit organizations except for the calculation of amortization on land and buildings.

The Ministry of Health and Long-Term Care requires that the annual amortization of land and buildings be equal to the annual amortization of the capital grant provided for the acquisition of the property. Canadian accounting standards for not-for-profit organizations requires that buildings, furniture and equipment be amortized over their estimated useful lives and that land should not be amortized.

(b) Cash and Cash Equivalents

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

(c) Fund Accounting

The accounts of Gerstein Centre, as a whole, are maintained in accordance with the principles of fund accounting by which resources for various purposes are classified, for accounting and reporting purposes, into various funds relating to specific activities. The funds currently being managed are; Ministry of Health and Long-Term Care Operating Fund, Support and Emergency Fund, Anne Harris Fund, Reva Gerstein Legacy Fund and Wellness and Recovery Fund. The Gerstein Centre has adopted the basis of accounting required by the Ministry.

Operating Fund

Is funded by the Ministry of Health and Long-Term Care to fulfill the mandate of the Gerstein Centre.

Support and Emergency Fund, (formerly - Support Fund)

This is an unrestricted donations fund, financed through solicited and unsolicited contributions from Foundations and the general public. It is used to fund general expenses that fall within the Gerstein Centre's mandate, but that may not be included in the Ministry budget.

Reva Gerstein Legacy Fund

The fund was established during the 2008 fiscal year, thanks to a generous donation, on the occasion of Dr. Reva Gerstein's 90th birthday, by her sons Irving and Ira and their families to reflect Dr. Gerstein's commitment to psychiatric survivors. The financial commitment is \$100,000 over 10 years, of which \$90,000 has been received to date. The Fund is used to help projects that are run by and for Psychiatric Survivors, reflecting Dr. Gerstein's interest in education, research and other projects that support the independent spirit of the survivor community.

Anne Harris Fund

Established to fund out-of-province staff education. It is financed through staff contributions and honorariums given for staff training and speaking engagements.

Wellness and Recovery Fund

Established in 2014 to recognize the donations, grants and other income received for Wellness and Recovery activities. The fund is used to finance the Wellness and Recovery Program.

Continued...

GERSTEIN CRISIS CENTRE
NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Premises & Equipment

Equipment with a cost less than \$5,000 are expensed in the year of acquisition.

Costs relating to 100 Charles Street East will be subject to amortization when the audit of the final costs for the project is complete. Final completion is expected during fiscal 2016.

3. ECONOMIC DEPENDENCE

The Ministry of Health and Long-Term Care, through the Toronto Central Local Health Integration Network (LHIN) provides approximately 97% of funds received by Gerstein Centre. During the year, Gerstein Centre received \$4,794,528 (2015 - \$4,655,866) from the LHIN. Funds received in excess of actual costs are subject to refund.

4. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. FINANCIAL INSTRUMENTS

Credit risk - Gerstein Centre is not subject to credit risk on its accounts receivable as they represent amounts due from various levels of government.

Currency risk - Gerstein Centre is not subject to currency risk as its operational functional currency is Canadian dollars.

Liquidity risk - Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Gerstein Centre is exposed to this risk mainly in respect of its accounts payable.

Fair value of financial instruments - the carrying value of accounts receivable, prepaid expenses, accounts payable and accrued liabilities, and advances from program partners, approximate fair value.

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. Gerstein Centre is exposed to interest rate risk on its fixed and floating interest rate financial instruments. (Fixed-interest instruments subject the entity to a fair value risk while the floating rate instruments subject it to a cash flow risk.)

6. DEFERRED REVENUE

The Ontario Trillium Foundation (OTF) has entered into an agreement with Gerstein Centre, whereby the OTF has provided a grant for \$469,100 over 36 months, starting November 25, 2015, to improve access to physical activities for adults with mental-health issues.

7. 100 CHARLES STREET EAST FUNDING

The Ministry of Health and Long-Term Care entered into an agreement with Gerstein Centre, whereby the Ministry has provided a grant of up to \$2,832,854 to enable Gerstein Centre to purchase and renovate the 100 Charles Street East property. Gerstein Centre has agreed to repay the Ministry any proceeds realized as a result of the disposition of the assets acquired by this grant and has agreed to keep the property unencumbered, unless prior approval is received from the Ministry.

Continued...

GERSTEIN CRISIS CENTRE
NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2016

8. COMMITMENTS

Gerstein Centre leases the Bloor Street West property, certain office equipment and two vehicles.

1045 Bloor Street West

On January 19, 2007, Gerstein Centre entered into a 15 year lease for a 14 bedroom facility. The lease commenced on October 1, 2007 initial annual rent was \$139,243 plus insurance, utilities, maintenance and applicable taxes. The lease is subject to annual increases equal to 50% of the rent increase approved under Section 129 of the Tenant Protection Act.

Future commitments under these leases, exclusive of any applicable taxes, are as follows:

| | Bloor Street West | Vehicles | Office Equipment | TOTAL |
|--------------------------------------|-------------------|------------------|------------------|-------------------|
| During the year ended March 31, 2017 | \$ 167,353 | \$ 8,709 | \$ 9,708 | \$ 185,770 |
| 2018 | 167,353 | 4,098 | 9,708 | 181,159 |
| 2019 | 167,353 | 3,176 | 5,444 | 175,973 |
| 2020 | 167,353 | 529 | 1,361 | 169,243 |
| 2021 | <u>167,353</u> | <u>0</u> | <u>0</u> | <u>167,353</u> |
| | <u>\$ 836,765</u> | <u>\$ 16,512</u> | <u>\$ 26,221</u> | <u>\$ 879,498</u> |

9. PRIMARY SUPPORT UNIT ("PSU") PROGRAM

Under an agreement dated August 1, 2008, Gerstein Centre became fund manager for the Salvation Army Primary Support Units ("PSU"), a program that provides short-term crisis support to homeless consumer/survivors in Toronto. As fund manager, Gerstein Centre receives funds from the Ministry of Health and Long-Term Care on behalf of PSU and either advances the funds to them or pays bills on their behalf. The agreement is for a two year term and will continue on a bi-annual basis, subject to the termination provisions of the agreement.

10. GRIFFIN CENTRE

Under an agreement dated October 1, 2007, Gerstein Centre became fund manager for the Griffin Centre Transitional Housing Project, a program that provides transitional housing to homeless, dually diagnosed consumer/survivors in Toronto. As fund manager, Gerstein Centre receives funds from the Ministry of Health and Long-Term Care, on behalf of Griffin Centre, and either advances the funds to them or pays bills on their behalf. The agreement is for a one year term and will continue on a year by year basis, subject to the termination provisions of the agreement. The rental supplement portion of the advances was \$24,720.

11. SUBSTANCE USE CRISIS SERVICE

Under an agreement dated August 3, 2011 between Gerstein Centre and the Toronto Central LHIN, Gerstein Centre assumed the role as Lead Health Service provider for a pilot project to address a gap in crisis services for those with problematic substance use and concurrent disorders. This project was reviewed by the Toronto Central LHIN during this fiscal year and considered for continuation.

12. WELLNESS AND RECOVERY PROGRAM

This program was established in fiscal 2015, in order to recognize the focused work (including the FRESH Project) that is taking place, to support the wellness and recovery of people with lived experience. This program is funded by a grant from the Toronto Central LHIN and is further supported by an annual allocation from the Wellness and Recovery Fund.

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GERSTEIN CRISIS CENTRE
NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2016

13. CITY OF TORONTO

Under a three year agreement with the Toronto Employment and Social Services "Investing in Neighbourhoods Program", the City of Toronto provides Gerstein Centre with funding to hire up to 4 individuals on one-year contracts to fulfil specific, pre-approved job descriptions. Gerstein Centre has the option to renew the contract for 2 further 1 year terms, starting in the 2017 fiscal year.

14. INCOME TAXES

Gerstein Centre is a registered non-profit organization, and so long as it complies with the applicable provisions of the Income Tax Act (Canada), it is exempt from income taxes.

15. COMPARATIVE FIGURES

Minor reclassifications have been made to prior year's amounts to conform to current year's presentation.