

ANNUAL REPORT 2022 - 2023



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Message from the Board Co-Chairs

PARMBIR GILL & JANET MOSHER

As many of you will know, on September 1, 2021, Parkdale Community Legal Services marked 50 years since its opening on September 1, 1971. We honoured and celebrated this milestone in various ways. As we noted in our update last year, a community event was held in Sorauren Park on October 17, 2021; three online panels explored [Critical Campaigns and Cases, Community and Movement Lawyering, and Community Clinics and Racial Justice](#); alumni of the Intensive Program in Poverty Law gathered on July 16, 2022; and we produced our [50th anniversary video](#). Our final event, a full-day conference, “Parkdale Community Legal Services at 50: Defining Our Future,” was held on October 22, 2022 in the community. With poet and activist El Jones as our keynote speaker and panels exploring the theme of radically reimagining just communities – and inspired as well by local Parkdale artists – the conference both returned us to PCLS’ radical, disruptive roots and helped to chart pathways for future work. Thanks are owing to all the staff and students who helped to organize the event and participated in the conference. A very special thanks is owed to Butterfly GoPaul and Tenzin Tekan – without their resourcefulness and attention to detail the event would not have been possible!

As mentioned last year, we are very happy that PCLS is now physically located back in the Parkdale community with a storefront location on Queen Street and space on Dufferin. No sooner had most of the renovations been completed when the Dufferin site was flooded (to the best of our knowledge, the third significant flooding of PCLS in its 51-year history!). Again, many thanks are owing to the staff and students who stepped in on short notice and over the weekend to remediate the situation. You are awesome! While we are happily settled and really delighted to hold our first in-person AGM at the new premises, in the longer term our hope is to consolidate the Clinic’s operations into a single space, accessible to community members.

As always, enormous thanks are owed to the staff and students who



day in and out, provide frontline legal services to community members and organize locally, provincially, and nationally to better ensure access to housing, decent work, adequate social benefits, and permanency of status. Once again, we want to express our appreciation to John No, our Director of Legal Services who assumed the role of Interim Clinic Director from February – May of this year.

We are grateful to our funders, including Legal Aid Ontario, Osgoode Hall Law School, and individual donors. We were deeply touched when the family of Paul Stott, an Osgoode graduate who worked at PCLS in its very early years, asked his friends and colleagues to remember him through a donation to the Clinic. Those of us who are

current members of the Board and staff at PCLS did not have the pleasure of knowing Paul but having learned of his willingness to push limits unimpeded by fear, strong sense of fairness and social justice, and concern to treat others with respect and compassion, we could readily see why Paul would have been drawn to work at PCLS.

We are also grateful to all those who serve on the PCLS Board of Directors. Their commitment to the Parkdale community and the work of the Clinic is immeasurable but can be at least in part gauged by the fact that this year, all Class A directors whose two-year terms are up have agreed to continue for another term!

We are excited about the year ahead. The strategic planning process under the leadership of our Clinic Director, Kara Gillies, is just getting underway. The “Defining Our Future” conference last October has given us much to think about, and we look forward in the months ahead to engaging staff, students, and community members in the process of more fully imagining PCLS’ future.

Message from the Clinic Director

KARA GILLIES

2022 - 23 was my first year at PCLS. And what a year it was! It was marvelous to settle back into a storefront setting, where community members and clients can stop by with relative ease. We remain dedicated to providing low-barrier access and a positive space for clients, staff and students. Our updated policy on anti-violence, anti-harassment and anti-discrimination in the workplace supports these goals – a big thank you to the Board, staff and students for your initiative in this arena.

PCLS values decent work and favourable work conditions for our community and also our staff. We were pleased to work with permanent staff to achieve a new collective agreement that will carry us through March 2025.

We are still getting the hang of working across two physical sites; fortunately, the installation of a moveable wall system at the Queen street location has facilitated client and community meetings.

I want to thank staff, students, directors and community members for your warm welcome and ongoing support as I continue to grow into the Clinic Director role. It is a pleasure to work with such a committed, community-focused, and values-driven team!

Message from the Academic Director

FAY FARADAY

After a two-year delay due to the pandemic, we were finally able to publicly celebrate PCLS's 50th anniversary this past fall. As we emerge from the pandemic, government policy-making and actions by landlords, employers

and others with power and privilege, continue to fuel the affordable housing crisis, inflation, austerity, and precarious work, social and immigration status. This was, then, a time to reflect on the importance of collective action and community solidarity. In October, the students helped organize and host the Clinic's 50th anniversary symposium which challenged community members, activists, artists, students, lawyers and other allies to define our collective vision for a just future. When PCLS was established half a century ago, it was a radical intervention in access to justice which became the model for the community legal clinic system. As we look to the next 50 years, we asked 'what is the radical imagination and radical intervention we need now to bring justice to our community.' The commitment to solidarity in community, to fight against systemic injustice, and to use the law to both protect community members and also transform unjust systems continues.

The law students work under the supervision of the Clinic's lawyers to deliver legal services to the Clinic's clients and learn the technical legal skills to be strong advocates for community members. At the same time, the students work with me to engage in rigorous academic study to build a deep and critical understanding of how law operates as a system of power. Understanding law as a system – how it is created, who benefits from it, who is restricted or harmed by it – is a necessary foundation from which to map out strategies for how, working in collaboration with community, we can together change that system so it delivers justice.

Just as they have for the past half-century, many of the lawyers who work in the community legal clinic got their start in the intensive program at PCLS. This year's cohort continued to embrace a commitment to PCLS' vision and quickly grew into passionate advocates for social and economic justice. It was a pleasure collaborating and learning with them.

Awards and Honours

Dorothy Leatch Award TSEWANG NORBU



Dorothy Leatch was a much beloved receptionist at Parkdale Community Legal Services for more than 30 years. She took an active interest in the clients and in the community, as well as being very actively engaged in her own church and family community. Dorothy passed away in 2011, and we felt there was no better tribute than to honour in her memory a community member who embodies Dorothy's own approach to community.

Tsewang is a Parkdale tenant and interpreter who for years has supported struggles against evictions and rent increases in the neighbourhood. Active in the Tibetan seniors' community, Tsewang organized seniors in 2022 to successfully stop the eviction of an important community prayer space in Parkdale.

Frederick H. Zemans Prize in Poverty Law

SINTHURA CHANDRAMOHAN

Sinthura Chandramohan is the 2021-2022 recipient of the Frederick H. Zemans Prize in Poverty Law. Named in honour of PCLS' founding Clinic Director, the Frederick Zemans prize is awarded annually to an outstanding student in the Intensive Program in Poverty Law.



Year in Review

PCLS' work is organized around four areas: Housing Rights, Social Assistance, Violence and Health (SAVAH), Migrant Rights, and Workers' Rights. We share highlights from the past year about each area below.



The Housing Division provided organizational support to tenants of one low-rise building fighting 'renoviction'. When investors bought the building they issued N13 eviction notices to all tenants, claiming they planned to renovate the rental units. Tenants responded by forming a committee and launching a high profile campaign to stop the evictions. In 2022, PCLS represented the tenants at their hearing at the Landlord and Tenant Board and had the evictions dismissed. This was a significant win for the tenants as it avoided what would have been a mass displacement event of long standing community members from their affordable homes.

An infamous landlord issued renoviction notices to all tenants in an approximately 30-unit building in Parkdale. This landlord had recently succeeded in evicting tenants in another area of Toronto based on the same notices and then denied the evicted tenants their right to move back into their units after the renovations were completed (the right of first refusal).

In order to avoid evictions and the similar result of denial of the right of first refusal, Parkdale tenants engaged their tenant committee to push back publicly against the landlord. The landlord countered with separate eviction notices against the tenants for their organizing efforts. PCLS provided ongoing support and advice to the tenants and applied parallel pressure against the landlord to withdraw all the notices. After many months of tenant campaigning, the landlord has withdrawn all eviction notices and has agreed to negotiate renovation plans without any displacement or evictions.

Many tenants in Parkdale fell into arrears during lockdown periods of the COVID-19 pandemic. Some landlords in Parkdale delayed their pursuit of evicting these tenants for non-payment of rent until after the pandemic was central in the public consciousness. In an effort to safeguard their homes many tenants turned to organizing their buildings and communities. Seemingly in response, a large corporate landlord had issued eviction notices for non-payment of rent only against several high-profile tenant organizers in a building. The landlord was unwilling to negotiate a reasonable settlement including rent repayment terms. PCLS was retained by these tenants to represent them at the LTB and after several hearings over many months was successful in obtaining a settlement that included rent forgiveness and reasonable arrears payment schedules resulting in the preservation of tenancies.

There is a growing trend of formal entities acting, illegally, as “tenants” by renting out a large number of units and subletting them out to individuals in order to circumvent important tenant protections in the Residential Tenancies Act (i.e. security of tenure, legal standing at the Landlord and Tenant Board). Such protections are not afforded to subletting individuals. PCLS has assisted tenants to organize against these practices and vigorously defended clients facing eviction under these spurious arrangements. Efforts have recently resulted in generous settlements and the formal recognition of the clients’ tenancies.

The Housing Division represented a long-standing Parkdale tenant facing eviction for reasons related to noise complaints. The tenant is hearing

impaired and suffers from epilepsy and severe pain causing her to cry out. Not only did PCLS successfully argue for relief from eviction, but a decision was issued by the Landlord and Tenant Board ordering the landlord to renovate the unit with soundproofing materials as a form of human rights accommodation.

A corporate landlord sought to evict a number of tenants at one Parkdale low-rise. Many tenants lost jobs and hours during the pandemic and fell behind on their rent payments. In winter 2021, the building's boiler malfunctioned and caught fire due to the landlord's negligence. Despite having endangered tenants' lives, the landlord went ahead with the evictions for rent arrears. Working collaboratively with the tenants, PCLS represented the tenants over a number of years and had the landlord's eviction applications dismissed and secured rent abatements from the Landlord and Tenant Board in the spring of 2023.

A PCLS client had been living in his rental unit his entire life. The home was bought by developers who sought to evict him and convert the complex into a luxury rental building. The developers refused to agree to allow him to move back in at his affordable rent. PCLS represented the tenant at the LTB and succeeded; demonstrating that the landlords were depriving him of his tenancy rights by trying to permanently displace him from his home.

In June 2022, a ceiling collapsed in a unit in the Swansea Mews public housing community, injuring one tenant. The landlord, Toronto Community Housing, and the City of Toronto responded by condemning Swansea Mews. As a result, hundreds of residents were displaced from their homes and community. PCLS provided organizational and legal support to tenants during the initial stages of the displacement process.

During the pandemic lockdowns, a non-profit seniors building in the west-end curtailed regularly scheduled programs and services such as lunches, outings, and on-site hairdressing. When the lockdowns lifted, the programs and services did not resume. PCLS worked with residents to form a tenant organization at the building that has succeeded in pressuring the landlord to restore needed programs and services.

Change in the ownership of one Parkdale high-rise led to worsening building conditions. With the support of PCLS, tenants responded by forming a committee and organizing to demand improvements. The tenant committee worked to collective tenant grievances in the building by circulating a petition and collecting work order from the majority of units. After months of hard work holding meetings and canvassing door to door, the new landlord gave in to tenants' demands and installed new laundry machines, accessible entrance doors, resurfaced the parking lot and conducted building-wide pest control.

In the spring of 2021 a non-profit "social justice oriented" landlord illegally locked out a previously homeless tenant based on regressive and unfounded rumours of drug use. The illegal lockout resulted in the tenant re-entering homeless and without access to any of her belongings. While homeless her mental and physical health deteriorated and she had yet to obtain permanent housing. PCLS represented her in a tenant's rights application against her landlord and won her a large financial award along with very critical commentary against the landlord actions.

A rental building in Parkdale was purchased by a financialized landlord. Shortly after purchasing, the landlord produced a fraudulent lease agreement that claimed a tenant's rent was more than double than what he was paying and it included a fake e-signature of the tenant. The landlord sought to pursue the tenants to evict him for underpaying his rent. The tenant retained PCLS and at the LTB hearing landlord claimed that the lease was needed for its "investors". The LTB found that the lease was not the true lease and dismissed the landlord's application.



The Social Assistance [income security] violence and health team are newly relaunched in May 2022. SAVAH has been busy working on (re)engaging residents and residents groups, grassroots movements and local agencies and organizations to re-establish relationships and connectivity and to convene initiatives tables focusing on specific issues We continue to re-envision community-based campaigns that are by residents and for residents that will be responsive to community needs and addressing systemic and structural barriers for change while providing support to mobilize, organize and fight back against these interconnected forms of oppression that residents/resident groups identify. Moving into the uncertainty of whatever 'post pandemic' will



look like, it's more evidence of the glaring disparities of inequities in the socio-economic marginalization of Black, Indigenous, racialized peoples and the working poor communities in the City of Toronto. SAVAH has a commitment to ensure we are relevant to the community residents of Parkdale, centering the community in the work we do and grounding the work in

community development principles. We currently do this by providing a wide range of services in the form of summary advice, informal advocacy, and representation. In the area of social assistance and system navigation. SAVAH continues to advocate on hundreds of disputes regarding our clients' eligibility and access to Ontario Works (OW) and Ontario Disability Support Program (ODSP) benefits.

The SAVAH team has also spent time offering legal information, advice and advocacy to folks on other social benefit programs like Canada Pension Plan disability benefits, Old Age Security and the Guaranteed Income Supplement. SAVAH is excited to share that we are expanding into the area of Human Rights law by assisting community members with applications and representation at the Human Rights Tribunal of Ontario on issues of discrimination in the area of provincially regulated services. For example, discriminatory incidents relating to retail stores, security guards, municipal/provincial services, schools, and policing. We have started developing outreach materials to share with community residents, resident groups, community based organizations and agencies.



Our family reunification work included successes that continued to push the boundaries of who is a dependent family member under the IRPA. We recognize that legislative change is unlikely on the issue of the definition of a dependent family member and therefore focus on strong individual cases to consistently push policy boundaries. A notable success was the case of 4 nephews and nieces ranging in age from 19-30 who were successfully reunited with their aunt in Canada on DR2 applications with an H&C request, after 7 years of litigation. The family was delighted and relieved to finally be able to reunify after so many years.

We had significant success with this strategy when faced with a permanent obstacle to family reunification for Tibetan refugees with family in Nepal. This was because Nepal refused to issue travel documents to Tibetans residing in Nepal. Our strategy of consistently requesting Single Journey (Canadian) Travel Documents (SJTDs) from the Canadian High Commission in New Delhi, arguing that it is appropriate in these circumstances to provide a one way Canadian document given the evidence that a Nepalese document will be impossible to obtain. This has resulted in a “policy shift” in that office and now such documents are routinely offered to Tibetan family members residing in Nepal. Similarly, the more we argue strongly for an expansion of who can be considered a dependent family member, in the appropriate case and with

an extensive evidentiary record, the more likely it is that immigration officers will become more comfortable with recognizing the compelling factors that militate in favour of an open mind in relation to concepts of family.

We have also sought an order of Mandamus from the Federal Court to compel a decision in a case long stalled within the IRCC bureaucracy. While not strictly a family reunification case (it involved an H&C outstanding for 9 years) our elderly client was largely seeking to be able to return to Canada to be able to reunite with his extended family. This has proved to be an effective strategy (that case resulted in a positive decision on his H&C) and is another useful tool to bring about family reunification in the future in the appropriate case.



We have been campaigning to get the federal government to regularize over 500,000 people who live without status in Canada. We have successfully pushed the federal government to move forward on a regularization program. The Prime Minister's Mandate Letter to the Minister of IRCC proposed a regularization program that is now being developed by IRCC staff. We have to demonstrate that we have the political power to ensure the government brings in a regularization program without caps and exclusions. We organized 4 public demonstrations for a just regularization program and status for all with migrants and their supporters (March, July, September and October, 2022). We have been successful in building public awareness of the exploitative conditions faced by undocumented migrants and built broad support. This is demonstrated by the over 24,000 people that have signed the petition and hundreds of organizations that have endorsed the call for status for all. We have been told that the Cabinet is currently reviewing the proposed regularization program and a decision should be made shortly.



We continued to achieve both measurable and immeasurable results for our worker-clients. In the fiscal year of 2022-2023, we recovered \$607,524.01 in unpaid wages, pay in lieu of notice, human rights damages, and other employment entitlements.

We were or are also currently involved in well-publicized three test case litigations.

First, we intervened in *Taylor v. Hanley Hospitality Inc.*, 2022 ONCA 376, which dealt with the interplay between Infectious Disease Emergency Leave temporary layoffs and common law constructive dismissal. The outcome was favourable in that the Ontario Court of Appeal overturned the lower court's decision.

Second, In *Leon v. Dealnet Capital Corporation*, 2021 ONSC 7192, we intervened in the first post *Uber Technologies Inc v Heller* case involving the validity of a private arbitration clause. The appellant/responding party on the motion, Leon, brought an action against his former employer, Dealnet, claiming unpaid wages relating to a transaction-based bonus. In response, Dealnet brought a motion to stay the action on the basis that the dispute was subject

to an arbitration agreement between the parties. Justice Freya Kristjanson found that whether the Arbitration Act excludes the appeal or the provision violates the Employee Standards Act and is unenforceable highlights relevant questions of law. She wrote that she could not conclude that the appeal is devoid of merit, mainly because Parkdale Community Legal Clinic appeared as an intervener, stating “The Parkdale Clinic has intervened in the interests of vulnerable workers, highlighting the importance of the questions of law to be resolved.”

Third, we commenced a constitutional challenge to the damages limits in ss. 53(2)(e) and 53(3) of the Canadian Human Rights Act. This challenge is in the very early stages.

Our other cases may have been less publicized but they were also nevertheless impactful to both our individual clients and to the broader workers’ rights movement. A good example of our commitment to our clients and to the broader worker’s rights is a case that started in 2015 but concluded in 2022. In this case, we took a corporation to trial to recover wrongful dismissal damages. Unfortunately, although the person controlling the corporation had great financial capacity to pay, he did not permit the corporation to pay the judgment owing and eventually drained the corporation of its assets. We then commenced a completely new civil action against the director personally, arguing that the director should be held personally liable for the debts of the corporation, pursuant to a rarely used “oppression” remedy under the Business Corporations Act. While noting that our argument was esoteric, the judge in the new civil action granted us judgment against the director. The director soon paid the money owing and thus ending a 7 year legal process.

We also recovered almost \$36,000 in unpaid wages for a worker who worked for a large grocery store with a history of violating the ESA. We worked closely with the Chinese Canadian National Council on this matter.

One of our ESA claims had a direct positive impact on employees who were not even our clients. We filed an ESA claim for one former employee

who was (a) not paid for training, and (b) threatened with a financial penalty for quitting his employment prior to the end of his employment contract. We emphasized to both the employer and the Ministry of Labour that we were seeking a systemic remedy. Not only did our client personally recover approximately \$39,000 in unpaid wages, the ESA claim also resulted in the employer voluntarily agreeing to pay all its current employees for training and to remove a resignation penalty clause from their employment contracts.

Our final example of a case that had broader implications is the case of Jian Zheng Yang v 11676121 Canada Inc. o/a Yumi Legend Seafood Cuisine, 2022 CanLII 100894. Our client was a chef at a restaurant, who received \$1,000 for working 60 hours per week. An issue in dispute was as to how to calculate the worker's hourly wage rate. Specifically, should his hourly wage rate be calculated by dividing the \$1,000 by 60 hours or dividing it by 44 regular (non-overtime) hours? The hourly rate issue was of significance as it greatly affected our client's overtime pay claim. The Employment Standards Officer chose the former method, i.e., \$1,000 / 60 hours. We appealed to the Ontario Labour Relations Board arguing that the proper calculation was \$1,000 / 44 hours. The Ontario Labour Relations Board agreed with our calculation and increased the original Order to Pay from \$3,042.95 to \$26,359.10. A second issue in dispute was whether the Employment Standards Officer was wrong to assume that the claimant worked no overtime hours for the weeks that he no longer possessed records. Citing a previous Parkdale Community Legal Services' case *Marin v. Zeitz*, [2013] OJ No 6457, the Ontario Labour Relations Board noted that the responsibility to keep records rests with the employer and, as such, it was "reasonable and fair" to extrapolate what the employer in fact owes the claimant based on the claimant's viva voce evidence and the available documentary evidence.

As a member of the Justice for Workers Campaign, PCLS has long fought for 10 employer paid sick days under federal and provincial legislation. We were successful in 2022 in pressing the federal government to enact a requirement under the Canada labour Code that employers of federally regulated employees must provide 10 paid sick days.

THANK YOU TO OUR FUNDERS



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AIDE JURIDIQUE ONTARIO

OSGOODE

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Board, Staff and Students

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PARKDALE **COMMUNITY** LEGAL SERVICES

Charitable Registration No. 1078 14972 RR0001

PARKDALE COMMUNITY LEGAL SERVICES INC.

FINANCIAL STATEMENTS

MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Parkdale Community Legal Services Inc.

Qualified Opinion

We have audited the financial statements of Parkdale Community Legal Services Inc. (the "Clinic") which comprise the statement of financial position as at March 31, 2023, and the statement of operations and funds balance and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our 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 the Clinic as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Clinic derives a portion of its revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded by the Clinic. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets, funds balance, and cash flows from operations for the years ended March 31, 2023 and 2022. Our audit opinion on the financial statements for the years ended March 31, 2023 and 2022 is modified accordingly because of the possible effects of this limitation in scope.

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 on our report. We are independent of the Clinic 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPO, 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 Clinic'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 Clinic or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Clinic'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 judgement 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 Clinic'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 Clinic'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 Clinic to cease to continue as a going concern.

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- 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.

Segal GCSE LLP

Chartered Professional Accountants
Licensed Public Accountants

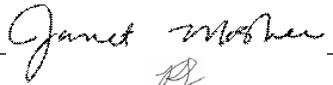

Toronto, Ontario
August 30, 2023

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

	Directors' Fund	LAO General Fund	LAO Legal Disbursements Fund	LAO Capital Fund	2023 Total	2022 Total
ASSETS						
Current assets						
Cash	\$ 660,128	\$ 161,664	\$ 10,304	\$ -	\$ 832,096	\$ 643,571
Accounts receivable	-	31,082	-	-	31,082	-
Government remittances receivable	-	15,800	-	-	15,800	55,543
Prepaid expenses and deposits	-	37,614	-	-	37,614	22,040
	660,128	246,160	10,304	-	916,592	721,154
Property and equipment, note 3	18,000	-	-	631,931	649,931	686,180
	<u>\$ 678,128</u>	<u>\$ 246,160</u>	<u>\$ 10,304</u>	<u>\$ 631,931</u>	<u>\$ 1,566,523</u>	<u>\$ 1,407,334</u>
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities, note 7	\$ -	\$ 194,114	\$ -	\$ -	\$ 194,114	\$ 206,111
Deferred revenue	-	-	-	-	-	3,643
Interfund payable (receivable)	(6,778)	(9,009)	15,787	-	-	-
	(6,778)	185,105	15,787	-	194,114	209,754
Deferred capital contributions, note 5	-	-	-	264,889	264,889	237,500
	(6,778)	185,105	15,787	264,889	459,003	447,254
Commitments, note 6						
FUNDS BALANCE (DEFICIT)	684,906	61,055	(5,483)	367,042	1,107,520	960,080
	<u>\$ 678,128</u>	<u>\$ 246,160</u>	<u>\$ 10,304</u>	<u>\$ 631,931</u>	<u>\$ 1,566,523</u>	<u>\$ 1,407,334</u>

Approved on behalf of the Board:

_____  _____, Director
 _____  _____, Director

See accompanying notes to the financial statements

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF OPERATIONS AND FUNDS BALANCE
FOR THE YEAR ENDED MARCH 31, 2023**

	Directors' Fund	LAO General Fund	LAO Legal Disbursements Fund	LAO Capital Fund	2023 Total	2022 Total
Revenues						
Legal Aid Ontario, note 9						
- direct receipts	\$ -	\$ 2,213,201	\$ 16,600	\$ -	\$ 2,229,801	\$ 2,067,363
- indirect receipts, note 4	-	180,315	-	-	180,315	326,710
Osgoode Hall Law School Grant - annual	135,280	-	-	-	135,280	130,832
Donations and other income	80,641	-	-	-	80,641	44,572
Projects	54,643	-	-	-	54,643	30,357
Amortization of deferred capital contributions, note 5	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,478</u>	<u>35,478</u>	<u>12,500</u>
	<u>270,564</u>	<u>2,393,516</u>	<u>16,600</u>	<u>35,478</u>	<u>2,716,158</u>	<u>2,612,334</u>

See accompanying notes to the financial statements

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF OPERATIONS AND FUNDS BALANCE (Continued...)
FOR THE YEAR ENDED MARCH 31, 2023**

	Directors' Fund	LAO General Fund	LAO Legal Disbursements Fund	LAO Capital Fund	2023 Total	2022 Total
Expenses						
Salaries	43,880	1,542,894	-	-	1,586,774	1,381,718
Benefits, note 7	8,471	256,974	-	-	265,445	224,692
Occupancy	90,000	126,394	-	-	216,394	197,581
Indirect payments, note 4	-	180,315	-	-	180,315	326,710
Professional services	5,000	52,013	-	-	57,013	51,270
Supplies and services	14,117	35,004	-	-	49,121	24,801
Impairment loss, note 3	-	-	-	29,345	29,345	-
Equipment rental and maintenance	5,000	16,304	-	-	21,304	11,667
Professional dues	-	11,629	-	-	11,629	14,900
Legal disbursements	-	-	11,599	-	11,599	10,207
Board expenses	11,092	273	-	-	11,365	1,130
Staff development	2,485	7,974	-	-	10,459	17,563
Communications	2,000	6,319	-	-	8,319	18,025
Client services	940	2,849	-	-	3,789	13,349
Moving expenses	-	-	-	-	-	10,586
Amortization of property and equipment	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>99,847</u>	<u>105,847</u>	<u>63,606</u>
	<u>188,985</u>	<u>2,238,942</u>	<u>11,599</u>	<u>129,192</u>	<u>2,568,718</u>	<u>2,367,805</u>
Excess of revenues over expenses / (expenses over revenues) for the year	81,579	154,574	5,001	(93,714)	147,440	244,529
Interfund transfer	-	(13,965)	-	13,965	-	-
Funds balance (deficit), beginning of year	<u>603,327</u>	<u>(79,554)</u>	<u>(10,484)</u>	<u>446,791</u>	<u>960,080</u>	<u>715,551</u>
Funds balance (deficit), end of year	<u>\$ 684,906</u>	<u>\$ 61,055</u>	<u>\$ (5,483)</u>	<u>\$ 367,042</u>	<u>\$ 1,107,520</u>	<u>\$ 960,080</u>

See accompanying notes to the financial statements

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ 147,440	\$ 244,529
Items not affecting cash:		
Amortization of deferred capital contributions	(35,478)	(12,500)
Amortization of property and equipment	105,847	63,606
Impairment loss	<u>29,345</u>	<u>-</u>
	247,154	295,635
Changes in non-cash working capital balances:		
Decrease (increase) in accounts receivable	(31,082)	1,168
Decrease (increase) in government remittances receivable	39,743	(42,557)
Decrease (increase) in prepaid expenses and deposits	(15,574)	1,932
Increase (decrease) in accounts payable and accrued liabilities	(11,997)	10,836
Decrease in deferred revenue	<u>(3,643)</u>	<u>(246,357)</u>
Cash flows from operating activities	<u>224,601</u>	<u>20,657</u>
Cash flows used in investing activities		
Purchase of property and equipment (i)	<u>(98,943)</u>	<u>(650,981)</u>
Cash flows from financing activities		
Increase in deferred capital contributions (i)	<u>62,867</u>	<u>250,000</u>
Net increase (decrease) in cash	188,525	(380,324)
Cash, beginning of year	<u>643,571</u>	<u>1,023,895</u>
Cash, end of year	<u><u>\$ 832,096</u></u>	<u><u>\$ 643,571</u></u>

Non-cash transaction:

(i) During the year, the Clinic received an indirect contribution of computer equipment from Legal Aid Ontario in the amount of \$62,867 (2022 - \$Nil).

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2023

1. PURPOSE OF THE ORGANIZATION

Parkdale Community Legal Services Inc. (the "Clinic") provides legal services to low-income individuals. The Clinic was incorporated under the Laws of Ontario as a not-for-profit corporation without share capital and is a registered charity.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO"). The significant accounting policies are as follows:

Fund accounting

The Clinic has the following funds:

a) Directors' Fund

Comprised of the following:

		2023	2022
Osgoode Fund (net of repayments)	(i)	\$ 228,643	\$ 218,474
Internally Restricted Fund	(ii)	<u>456,263</u>	<u>384,853</u>
		<u>\$ 684,906</u>	<u>\$ 603,327</u>

i) **Osgoode Fund:** These funds are provided by York University (the "University") to enhance the academic program in poverty law, which is a joint project of Osgoode Hall Law School and the Clinic. In addition to the itemized budget for the Osgoode Fund, the University provides a full-time academic director position and some services in kind.

ii) **Internally Restricted Fund:** This fund includes monies received from individuals and corporations, which are used for project activities of the Clinic as directed by the management team or board of directors. This fund also includes monies received to fund specific projects, which no longer have any external restrictions as to use, but are internally restricted projects as directed by the management team or board of directors.

b) LAO General Fund

These funds, provided by Legal Aid Ontario ("LAO"), are used to provide a range of legal and paralegal services, including information, advice and representation, to low-income individuals and families.

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

Fund accounting (Continued...)

c) LAO Legal Disbursements Fund

These funds are used to provide for certain direct expenses incurred in representing Clinic clients in legal proceedings.

d) LAO Capital Fund

This fund holds the property and equipment of the Clinic that has been funded by Legal Aid Ontario.

Revenue recognition

The Clinic follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the fund to which they pertain (see description of funds above). Contributions that relate to future periods are recorded as deferred revenue. Unrestricted contributions are recognized as revenue of the Directors' Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations in kind and volunteered services

The Clinic received donations in kind in the form of contributed goods and services, which are recorded as revenue with an offsetting expense (note 4). In addition, other volunteers provide contributed services for the Clinic which are not recognized in these financial statements, due to the difficulty in determining the fair value of these contributed services.

Financial instruments

The Clinic's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. All financial instruments noted, with the exception of cash, are initially recognized at fair value and subsequently measured at amortized cost. Cash is carried at fair value. Transaction costs and financial fees associated with arm's length financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument or shorter, dependent upon the expected period of cash flow.

When there is an indication of impairment and such an impairment is determined to have occurred, the carrying amount of financial assets, measured at cost or amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. Such impairments can be subsequently reversed if the value subsequently improves.

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

Property and equipment

Contributed property and equipment is recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed property and equipment are recorded at a nominal amount.

Otherwise, property and equipment are recorded at cost less accumulated amortization. Amortization has been calculated over the estimated useful lives of the property and equipment at the following annual rates:

Leasehold improvements	- straight-line basis over the term of the lease
Computer equipment	- straight-line over 3 years
Office equipment	- straight-line over 5 years
Telephone equipment	- straight-line over 8 years

Impairment of long-lived assets

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When a long-lived asset no longer contributes to the Clinic's ability to provide goods and services, or the value of future economic benefits or service potential associated with the long-lived asset is less than its net carrying amount, the net carrying amount of the long-lived asset is written down to the asset's fair value or replacement cost.

Deferred capital contributions

Deferred capital contributions represent restricted contributions for leasehold improvements and other property and equipment. Revenue is recorded on these amounts at the same rates used for the associated assets being amortized.

Income taxes

The Clinic is a registered charitable organization and accordingly is exempt from income taxes under Section 149 of the Income Tax Act.

Government assistance

Amounts received or receivable from government assistance programs are reflected as revenues or restricted contributions when the Clinic becomes eligible to receive them, provided that there is reasonable assurance the benefits will be realized.

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

Employee future benefits

The Clinic is a participating employer in The Colleges of Applied Arts and Technology (CAAT) pension plan (the "Plan"), a multi-employer jointly sponsored pension plan. The Clinic participates in the plan. The retirement pension is available based on total contributions received by the Plan annually multiplied by an annual pension factor. The cost of pension benefits for the plan are charges to income as incurred and included in personnel costs.

Estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of significant management estimates relate to the useful lives of property and equipment for amortization purposes, the fair value of property and equipment in determining impairment, the provision for uncollectible accounts, and accruals. Actual results may differ from this estimate.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
LAO Capital Fund				
Leasehold improvements (i)	\$ 589,891	\$ 91,333	\$ 498,558	\$ 567,046
Computer equipment (ii)	474,419	410,238	64,181	20,416
Office equipment	424,166	365,332	58,834	66,030
Telephone equipment	<u>44,671</u>	<u>34,313</u>	<u>10,358</u>	<u>8,688</u>
	<u>1,533,147</u>	<u>901,216</u>	<u>631,931</u>	<u>662,180</u>
Directors' Fund				
Office equipment	<u>30,000</u>	<u>12,000</u>	<u>18,000</u>	<u>24,000</u>
Total	<u><u>\$ 1,563,147</u></u>	<u><u>\$ 913,216</u></u>	<u><u>\$ 649,931</u></u>	<u><u>\$ 686,180</u></u>

(i) During the year, an impairment loss of \$29,345 (2022 - \$Nil) was recognized due to a flood.

(ii) During the year, the Clinic received an indirect contribution of computer equipment from Legal Aid Ontario in the amount of \$62,867 (2022 - \$Nil).

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

4. INDIRECT PAYMENTS

Legal Aid Ontario administered and made payments on behalf of the Clinic for the following expenditures:

	2023	2022
LAO General Fund		
Translation services	\$ 93,679	\$ 111,424
Information technology support	74,551	70,218
Supplies and services	10,485	11,408
Library	1,391	2,630
Pension and benefits	209	168
Accommodation and equipment	<u>-</u>	<u>130,862</u>
	<u><u>\$ 180,315</u></u>	<u><u>\$ 326,710</u></u>

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions for leasehold improvements and other property and equipment. The changes in the deferred capital contributions are as follows:

	2023 LAO Capital Fund	2022 LAO Capital Fund
Balance, beginning of year	\$ 237,500	\$ -
Increase in deferred capital contributions	62,867	250,000
Amortization of deferred capital contributions	<u>(35,478)</u>	<u>(12,500)</u>
Balance, end of year	<u><u>\$ 264,889</u></u>	<u><u>\$ 237,500</u></u>

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2023

6. COMMITMENTS

The Clinic is committed to the following minimum annual lease payments for its premises and equipment for the next five years, and thereafter as follows:

2024	\$ 145,325
2025	132,400
2026	135,220
2027	145,675
2028	149,580
Thereafter	<u>209,400</u>
	<u>\$ 917,600</u>

7. PENSION PLAN

The Clinic is a participating employer in The Colleges of Applied Arts and Technology (CAAT) pension plan (the "Plan"), a multi-employer jointly sponsored pension plan within the meaning of the Pension Benefits Act (Ontario). The Plan covers employees of the 24 Colleges of Applied Arts and Technology in Ontario, and other participating employers with employees working across Canada. The Clinic participates in the plan called DBplus. The DBplus plan offers benefits based on total contribution received by the plan. The Clinic's non-unionized employees contribute 5.5% (2022 - Nil%) and unionized employees contribute 4.5% (2022 - Nil%) of the year's Maximum Pension Earning to the plan. During the year, the Clinic's total contributions to the Plan were \$30,082 (2022 - \$Nil). As at March 31, 2023, the Clinic's total payable to the Plan was \$9,660 (2022 - \$Nil), which is included in accounts payable and accrued liabilities.

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Transacting in financial instruments exposes the Clinic to certain financial risks and uncertainties. These risks include:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Clinic is exposed to credit risk to the extent that its accounts receivable may not be collectible. The Clinic manages its credit risk by actively monitoring its outstanding balances. Subsequent to the year-end, 99% (2022 - Nil%) of the accounts receivable outstanding at the statement of financial position date were collected.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to fair value. The Clinic manages liquidity risk by maintaining adequate cash balances and continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Clinic's reputation. There has been no change in the risk exposure from the prior period.

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 comprises three types of risk: currency risk, interest rate risk, and other price risk. The Clinic is not exposed to any of these risks.

9. ECONOMIC DEPENDENCE

The Clinic is economically dependent on the support of Legal Aid Ontario which provides 90% (2022 - 92%) of the Clinic's funding.