



Financial Statements

Agincourt Community Services Association

December 31, 2021

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Independent Auditor's Report

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To the Members of
Agincourt Community Services Association

Qualified opinion

We have audited the financial statements of Agincourt Community Services Association, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Agincourt Community Services Association as at December 31, 2021 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 qualified opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was 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 of our report. We are independent of the Organization 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 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 Organization'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

Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Grant Thornton LLP

Toronto, Canada
May 17, 2022

Chartered Professional Accountants
Licensed Public Accountants

Agincourt Community Services Association **Statement of Operations**

Year ended December 31

2021

2020

Revenues

City of Toronto grants (Notes 6 and 7)	\$ 3,321,528	\$ 2,439,437
United Way grants	1,536,851	1,628,247
Federal government grants	1,090,573	886,181
Foundation grants	902,056	519,474
Provincial government grants	409,171	332,580
Fees from other agencies	401,099	445,067
Fundraising donations	190,548	211,995
Rental income	58,947	78,175
Miscellaneous income	31,961	27,417
Investment income	7,041	15,441
COVID-19 federal grant (Note 8)	-	25,000
	<u>7,949,775</u>	<u>6,609,014</u>

Expenses

Salaries and benefits	5,388,165	4,609,358
Program	1,248,854	731,033
Building occupancy	774,004	774,823
Office	210,947	172,184
Amortization	162,722	162,508
Staff training and travel	28,934	22,863
Printing and publicity	27,253	37,932
Professional fees	26,317	25,436
Miscellaneous	13,094	12,456
Volunteer costs	918	330
	<u>7,881,208</u>	<u>6,548,923</u>

Excess of revenues over expenses	68,567	60,091
Internally restricted (see statement of changes in net assets)	<u>68,567</u>	<u>60,091</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

Agincourt Community Services Association **Statement of Changes in Net Assets**

Year ended December 31

	Internally restricted	Unrestricted	Total 2021	Total 2020
Balance, beginning of year	\$ 436,590	\$ 189,942	\$ 626,532	\$ 566,441
Excess of revenues over expenses	-	68,567	68,567	60,091
Interfund transfer to internally restricted net assets	<u>68,567</u>	<u>(68,567)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 505,157</u>	<u>\$ 189,942</u>	<u>\$ 695,099</u>	<u>\$ 626,532</u>

See accompanying notes to the financial statements.

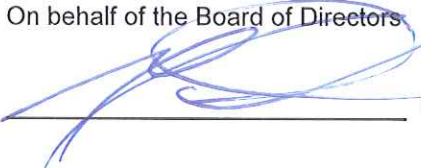
Agincourt Community Services Association

Statement of Financial Position

December 31	2021	2020
Assets		
Current		
Cash	\$ 1,020,327	\$ 832,054
Short-term deposits	2,279,712	1,771,836
Accounts receivable	361,490	288,002
Prepaid expenses	44,056	46,561
	<u>3,705,585</u>	<u>2,938,453</u>
Property and equipment (Note 3)	<u>96,097</u>	<u>187,287</u>
	<u>\$ 3,801,682</u>	<u>\$ 3,125,740</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 280,420	\$ 240,405
Deferred revenue - grants and contributions (Note 5)	<u>2,730,066</u>	<u>2,071,516</u>
	<u>3,010,486</u>	<u>2,311,921</u>
Deferred revenue - property and equipment (Note 5)	<u>96,097</u>	<u>187,287</u>
	<u>3,106,583</u>	<u>2,499,208</u>
Net assets		
Internally restricted	505,157	436,590
Unrestricted	<u>189,942</u>	<u>189,942</u>
	<u>695,099</u>	<u>626,532</u>
	<u>\$ 3,801,682</u>	<u>\$ 3,125,740</u>

Commitments (Note 9)

On behalf of the Board of Directors



Director



Director

Agincourt Community Services Association

Statement of Cash Flows

Year ended December 31

2021

2020

Increase (decrease) in cash

Operating

Excess of revenues over expenses	\$ 68,567	\$ 60,091
Items not affecting cash		
Amortization	162,722	162,508
Deferred revenue - grants and contributions - recognized (Note 5)	(7,858,585)	(6,446,506)
Deferred revenue - property and equipment - recognized (Note 5)	<u>(162,722)</u>	<u>(162,508)</u>
	(7,790,018)	(6,386,415)
Change in non-cash working capital items		
Accounts receivable	(73,488)	(90,353)
Prepaid expenses	2,505	(1,873)
Accounts payable and accrued liabilities	40,015	(94,960)
Deferred revenue - grants and contributions (Note 5)	8,517,135	7,091,406
Deferred revenue - property and equipment (Note 5)	<u>71,532</u>	<u>51,812</u>
	<u>767,681</u>	<u>569,617</u>

Investing

Purchase of property and equipment	(71,532)	(51,812)
Proceeds on maturity of short-term deposits	1,024,635	1,019,000
Purchase of short-term deposits	<u>(1,532,511)</u>	<u>(1,539,165)</u>
	<u>(579,408)</u>	<u>(571,977)</u>

Increase (decrease) in cash

188,273 (2,360)

Cash

Beginning of year	<u>832,054</u>	<u>834,414</u>
End of year	<u>\$ 1,020,327</u>	<u>\$ 832,054</u>

Agincourt Community Services Association

Notes to the Financial Statements

December 31, 2021

1. Nature of operations

Agincourt Community Services Association (the "Association") is a not-for-profit, multi-service agency addressing needs and empowering children, youth, newcomers, homeless and under-served communities to build a better tomorrow. The Association is a corporation without share capital under the Province of Ontario. As a charitable organization, it is exempt from income tax under the Income Tax Act (Canada).

2. Summary of significant accounting policies

The Association follows Canadian accounting standards for not-for-profit organizations (ASNPO) in preparing its financial statements. The significant accounting policies used are as follows:

Short-term deposits

Short-term deposits consist of a Business Investment Growth Account and a Guaranteed Investment Certificate (GIC). The GIC matures in July 2022 and bears interest at 0.40% (2020 - maturing July, 2021 and bearing interest at 0.75%).

Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful life on a straight-line basis. The estimated useful lives are as follows:

Vehicles	3 years
Office equipment	3 years
Furniture and fixtures	3 years
Leasehold improvements	1 to 10 years

Impairment of long-lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Revenue recognition

The Association follows the deferral method of accounting for revenue. Externally restricted grants and contributions are recognized as revenue in the year in which the related expenses are incurred. The Association actively fundraises, and unrestricted contributions are recorded as revenue when the amount can be reasonably estimated and collection is reasonably assured.

Contributions for property and equipment are deferred and amortized over the useful life of the related property and equipment so that revenue recognition corresponds with the related amortization expense. Fees from other agencies, rental, investment and miscellaneous revenue is recognized as earned.

Agincourt Community Services Association

Notes to the Financial Statements

December 31, 2021

2. Summary of significant accounting policies (continued)

Internally restricted net assets

Periodically, the Board of Directors (the "Board") may internally restrict net assets for specific purposes such as contingencies. Internally restricted resources are not available for other purposes without the approval of the Board. The Board considers that a contingency reserve is necessary to ensure the continued delivery of programs in accordance with the Association's standards.

Gifts in kind

Donated property and equipment are recorded at fair market value as at the date of contribution, when such value can be reasonably determined.

The value of food, services and clothing donated is not recognized as revenue in the financial statements as their fair value cannot be reasonably estimated.

Financial instruments

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

- cash
- short-term deposits
- accounts receivable
- accounts payable

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and financial assets or liabilities obtained in related party transactions are measured at their exchange amount.

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

3. Property and equipment

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Vehicles	\$ 123,573	\$ 57,248	\$ 66,325	\$ 44,041
Office equipment	119,094	119,094	-	-
Furniture and fixtures	85,733	55,961	29,772	-
Leasehold improvements	<u>1,475,149</u>	<u>1,475,149</u>	<u>-</u>	<u>143,246</u>
	<u>\$ 1,803,549</u>	<u>\$ 1,707,452</u>	<u>\$ 96,097</u>	<u>\$ 187,287</u>

Agincourt Community Services Association

Notes to the Financial Statements

December 31, 2021

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$8,278 (2020 - \$4,719) with respect to government remittances.

5. Deferred revenue

Deferred revenue - grants and contributions

	<u>2021</u>	<u>2020</u>
Deferred revenue, beginning of year	\$ 2,071,516	\$ 1,426,616
Funds received during the year	8,517,135	7,091,406
Less: revenue recognized during the year	<u>(7,858,585)</u>	<u>(6,446,506)</u>
Deferred revenue, end of year	<u>\$ 2,730,066</u>	<u>\$ 2,071,516</u>

Deferred revenue - property and equipment

	<u>2021</u>	<u>2020</u>
Deferred revenue, beginning of year	\$ 187,287	\$ 297,983
Funds received during the year	71,532	51,812
Less: revenue recognized during the year	<u>(162,722)</u>	<u>(162,508)</u>
Deferred revenue, end of year	<u>\$ 96,097</u>	<u>\$ 187,287</u>

6. Safe Restart Funding

During fiscal 2021, the Association recognized revenue of \$23,706 in Safe Restart Funding from the City of Toronto for EarlyON programming. The total amount of \$23,706 was received during fiscal 2020. The amount was spent and recognized as revenue during fiscal 2021.

Agincourt Community Services Association **Notes to the Financial Statements**

December 31, 2021

7. EarlyON program

Included in City of Toronto grants is a grant for the EarlyON program. Revenue and expenses are as follows:

	<u>2021</u>	<u>2020</u>
Revenue		
City of Toronto	\$ 380,499	\$ 376,730
CEWS funding	<u>-</u>	<u>1,374</u>
	<u>380,499</u>	<u>378,104</u>
Expenses		
Salaries and wages	239,826	219,829
Benefits	39,390	36,154
Administration salaries	37,412	37,300
Rent	45,000	42,000
Program related	5,592	9,339
Business costs	6,228	6,228
Other costs	2,791	4,090
Utilities and maintenance	4,000	4,000
Professional development	<u>260</u>	<u>520</u>
	<u>380,499</u>	<u>359,460</u>
	<u>\$ -</u>	<u>\$ 18,644</u>

8. Federal COVID-19 financial support

As a result of COVID-19, the Association received the 10% Wage Subsidy for Employers in the amount of \$25,000 during fiscal 2020. This was the only Federal COVID-19 Relief received.

9. Commitments

The Association is committed to operating leases for the rental of premises to January 2027. The minimum commitments for the next five years are approximately as follows:

2022	\$ 603,000
2023	130,000
2024	129,000
2025	120,000
2026	120,000

Agincourt Community Services Association

Notes to the Financial Statements

December 31, 2021

10. Financial instruments

The Association has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. The risks that arise from the Association's financial instruments include interest rate risk and credit risk. It is management's opinion that the Association is not exposed to significant currency, interest rate cash flow, liquidity or market risks arising from its financial instruments.

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 meet its funding obligation. This risk is mitigated by the Association through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable is \$Nil (2020 - \$Nil).

Interest rate risk

The Association is exposed to interest rate risk due to its short-term deposits with fixed interest rates. This risk is mitigated by the Association through investing in instruments which have a low susceptibility to significant fluctuations in market interest rates.

11. Economic dependence

The operations of the Association are dependent on the government and United Way funding it receives.