



Financial Statements

Agincourt Community Services Association

December 31, 2020

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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, 2020, 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, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 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 18, 2021

Chartered Professional Accountants
Licensed Public Accountants

Agincourt Community Services Association

Statement of Operations

Year ended December 31

2020

2019

Revenues

City of Toronto grants	\$ 2,439,437	\$ 2,498,986
United Way grants	1,628,247	1,552,095
Federal government grants	886,181	850,018
Foundation grants	519,474	567,172
Fees from other agencies	445,067	456,366
Provincial government grants	332,580	580,526
Fundraising donations	211,995	177,551
Rental income	78,175	91,413
Miscellaneous income	27,417	38,095
COVID-19 federal grant (Note 7)	25,000	-
Investment income	15,441	20,670
	6,609,014	6,832,892

Expenses

Salaries and benefits	4,609,358	4,707,829
Building occupancy	774,823	753,292
Program	731,033	819,120
Office	172,184	163,463
Amortization	162,508	160,907
Printing and publicity	37,932	73,949
Professional fees	25,436	18,396
Staff training and travel	22,863	53,563
Miscellaneous	12,456	16,817
Volunteer costs	330	1,174
	6,548,923	6,768,510

Excess of revenues over expenses

60,091 64,382

Internally restricted (see statement of changes in net assets)

60,091 **64,382**

\$ - **\$ -**

Agincourt Community Services Association Statement of Changes in Net Assets

Year ended December 31

	Internally restricted	Unrestricted	Total 2020	Total 2019
Balance, beginning of year	\$ 376,499	\$ 189,942	\$ 566,441	\$ 502,059
Excess of revenues over expenses	-	60,091	60,091	64,382
Interfund transfer to internally restricted net assets	<u>60,091</u>	<u>(60,091)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 436,590</u>	<u>\$ 189,942</u>	<u>\$ 626,532</u>	<u>\$ 566,441</u>

See accompanying notes to the financial statements.

Agincourt Community Services Association
Statement of Financial Position

December 31

2020

2019

Assets

Current

Cash	\$ 832,054	\$ 834,414
Short-term deposits	1,771,836	1,251,671
Accounts receivable	288,002	197,649
Prepaid expenses	46,561	44,688

2,938,453 2,328,422

Property and equipment (Note 3)

187,287 297,983

\$ 3,125,740 \$ 2,626,405

Liabilities

Current

Accounts payable and accrued liabilities (Note 4)	\$ 240,405	\$ 335,365
Deferred revenue - grants and contributions (Notes 5 and 6)	2,071,516	1,426,616

2,311,921 1,761,981

Deferred revenue - property and equipment (Note 5)

187,287 297,983

2,499,208 2,059,964

Net assets

Internally restricted

436,590 376,499

Unrestricted

189,942 189,942

626,532 566,441

\$ 3,125,740 \$ 2,626,405

Commitments (Note 8)

On behalf of the Board of Directors

 Director

 Director

Agincourt Community Services Association

Statement of Cash Flows

Year ended December 31

2020

2019

Increase (decrease) in cash

Operating

Excess of revenues over expenses	\$ 60,091	\$ 64,382
Items not affecting cash		
Amortization	162,508	160,907
Deferred revenue - grants and contributions - recognized (Note 5)	(6,446,506)	(6,671,985)
Deferred revenue - property and equipment - recognized (Note 5)	<u>(162,508)</u>	<u>(160,907)</u>
	(6,386,415)	(6,607,603)
Change in non-cash working capital items		
Accounts receivable	(90,353)	244,906
Prepaid expenses	(1,873)	(46)
Accounts payable and accrued liabilities	(94,960)	47,083
Deferred revenue - grants and contributions (Notes 5 and 6)	7,091,406	6,659,011
Deferred revenue - property and equipment (Note 5)	<u>51,812</u>	<u>22,981</u>
	<u>569,617</u>	<u>366,332</u>

Investing

Purchase of property and equipment	(51,812)	(22,981)
Proceeds on maturity of short-term deposits	1,019,000	897,487
Purchase of short-term deposits	<u>(1,539,165)</u>	<u>(1,000,000)</u>
	<u>(571,977)</u>	<u>(125,494)</u>

(Decrease) increase in cash

(2,360) 240,838

Cash

Beginning of year	<u>834,414</u>	<u>593,576</u>
End of year	<u>\$ 832,054</u>	<u>\$ 834,414</u>

Agincourt Community Services Association

Notes to the Financial Statements

December 31, 2020

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 2021 and bears interest at 0.75% (2019 - maturing July, 2020 and bearing interest at 1.90%).

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, 2020

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

			2020	2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	\$ 81,812	\$ 37,771	\$ 44,041	\$ -
Office equipment	119,094	119,094	-	-
Furniture and fixtures	55,960	55,960	-	-
Leasehold improvements	1,475,149	1,331,903	143,246	297,983
	\$ 1,732,015	\$ 1,544,728	\$ 187,287	\$ 297,983

Agincourt Community Services Association

Notes to the Financial Statements

December 31, 2020

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$4,719 (2019 - \$5,003) with respect to government remittances.

5. Deferred revenue

Deferred revenue - grants and contributions

	2021	2020
Deferred revenue, beginning of year	\$ 1,426,616	\$ 1,439,590
Funds received during the year	7,091,406	6,659,011
Less: revenue recognized during the year	(6,446,506)	(6,671,985)
Deferred revenue, end of year	\$ 2,071,516	\$ 1,426,616

Deferred revenue - property and equipment

	2021	2020
Deferred revenue, beginning of year	\$ 297,983	\$ 435,909
Funds received during the year	51,812	22,981
Less: revenue recognized during the year	(162,508)	(160,907)
Deferred revenue, end of year	\$ 187,287	\$ 297,983

6. Safe Restart Funding

During the year, the Association received \$23,706 in Safe Restart Funding from the City of Toronto for EarlyON programming. The total amount is included in deferred revenue (Note 5). No amount was recognized as revenue during fiscal 2020.

7. 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. This was the only Federal COVID-19 Relief received.

8. Commitments

The Association is committed to operating leases for the rental of premises to December, 2022. The minimum commitments over the next two years are approximately as follows:

2021		\$ 552,000
2022		249,000

Agincourt Community Services Association

Notes to the Financial Statements

December 31, 2020

9. 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 (2019 - \$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.

10. Economic dependence

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

11. COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Association for future periods. As at the audit report date, the Association continues to receive funding to support its services. The Association remains committed to adjusting its expenditures as necessary to ensure its long-term sustainability.