



Financial Statements

Agincourt Community Services Association

December 31, 2023

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## Independent Auditor's Report

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, 2023, 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, 2023 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, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 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.

## Independent Auditor's Report (continued)

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 21, 2024

Chartered Professional Accountants  
Licensed Public Accountants

# Agincourt Community Services Association

## Statement of Financial Position

December 31 2023 2022

**Assets**

Current

Cash	\$ 930,915	\$ 697,916
Short-term deposits	3,517,791	2,796,336
Accounts receivable	407,482	386,675
Prepaid expenses	<u>64,094</u>	<u>55,103</u>

**4,920,282** 3,936,030

Property and equipment (Note 3)

221,722 155,322

**\$ 5,142,004** **\$ 4,091,352**

**Liabilities**

Current

Accounts payable and accrued liabilities (Note 4)	\$ 403,676	\$ 390,852
Deferred revenue - grants and contributions (Note 5)	<u>3,632,398</u>	<u>2,790,388</u>

**4,036,074** 3,181,240

Deferred revenue - property and equipment (Note 5)

221,722 155,322

**4,257,796** 3,336,562

**Net assets**

Internally restricted

694,266 564,848

Unrestricted

189,942 189,942

**884,208** 754,790

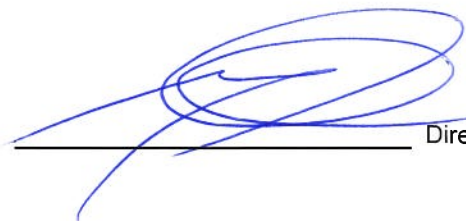
**\$ 5,142,004** **\$ 4,091,352**

Commitments (Note 6)

On behalf of the Board of Directors



Director



Director

## Agincourt Community Services Association Statement of Operations

Year ended December 31

2023

2022

<b>Revenues</b>		
Municipal grants	\$ 4,454,078	\$ 4,215,222
Federal government grants	1,441,258	1,298,501
United Way grants	1,194,086	1,153,101
Foundation grants	746,256	660,854
Fees from other agencies	621,071	664,012
Fundraising donations	466,797	183,292
Provincial government grants	396,297	399,568
Investment income	130,525	34,330
Hub partner contributions	95,368	71,094
Miscellaneous income	38,016	17,769
	<u>9,583,752</u>	<u>8,697,743</u>
<b>Expenses</b>		
Salaries and benefits	6,645,626	5,907,299
Program	1,289,065	1,405,438
Building occupancy	988,045	944,021
Office	254,593	220,303
Staff training and travel	89,995	39,616
Fundraising	58,376	1,502
Printing and publicity	54,227	54,433
Amortization	38,032	31,304
Professional fees	23,238	19,799
Miscellaneous	10,761	13,216
Volunteer costs	2,376	1,121
	<u>9,454,334</u>	<u>8,638,052</u>
Excess of revenues over expenses before transfer	\$ 129,418	\$ 59,691
Internally restricted (see statement of changes in net assets)	<u>\$ (129,418)</u>	<u>\$ (59,691)</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

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

Year ended December 31

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	<b>Internally restricted</b>	<b>Unrestricted</b>	<b>Total 2023</b>	<b>Total 2022</b>
Balance, beginning of year	\$ 564,848	\$ 189,942	\$ 754,790	\$ 695,099
Excess of revenues over expenses	-	129,418	<b>129,418</b>	59,691
Interfund transfer to internally restricted net assets	<u>129,418</u>	<u>(129,418)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<b><u>\$ 694,266</u></b>	<b><u>\$ 189,942</u></b>	<b><u>\$ 884,208</u></b>	<b><u>\$ 754,790</u></b>

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## Agincourt Community Services Association Statement of Cash Flows

Year ended December 31	2023	2022
Increase (decrease) in cash		
<b>Operating</b>		
Excess of revenues over expenses	\$ 129,418	\$ 59,691
Items not affecting cash		
Amortization	38,032	31,304
Deferred revenue - grants and contributions - recognized (Note 5)	(9,650,052)	(8,666,439)
Deferred revenue - property and equipment - recognized (Note 5)	<u>(38,032)</u>	<u>(31,304)</u>
	(9,520,634)	(8,606,748)
Change in non-cash working capital items		
Accounts receivable	(20,807)	(25,185)
Prepaid expenses	(8,991)	(11,047)
Accounts payable and accrued liabilities	12,824	110,432
Deferred revenue - grants and contributions (Note 5)	10,492,062	8,726,761
Deferred revenue - property and equipment (Note 5)	<u>104,432</u>	<u>90,529</u>
	<u>1,058,886</u>	<u>284,742</u>
<b>Investing</b>		
Purchase of property and equipment	(104,432)	(90,529)
Proceeds on maturity of short-term deposits	2,878,545	1,530,733
Purchase of short-term deposits	<u>(3,600,000)</u>	<u>(2,047,357)</u>
	<u>(825,887)</u>	<u>(607,153)</u>
Increase (decrease) in cash	232,999	(322,411)
<b>Cash</b>		
Beginning of year	<u>697,916</u>	<u>1,020,327</u>
End of year	<u>\$ 930,915</u>	<u>\$ 697,916</u>



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# Agincourt Community Services Association

## Notes to the Financial Statements

December 31, 2023

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### 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 underserved 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).

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### 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 two Guaranteed Investment Certificates (GICs). These GICs matures in February and August 2024 and bear interest at 5.05% and 5.25% (2022 - maturing in February and August 2023 and bearing interest at 3.25% and 4.25%).

#### 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

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

#### 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.

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# Agincourt Community Services Association

## Notes to the Financial Statements

December 31, 2023

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### 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 and liabilities obtained in arm's length transactions are initially recorded at their fair value and subsequently measured at amortized cost.

Financial assets and liabilities in related party transactions are initially and subsequently measured at cost.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount would have been the carrying amount had no impairment loss been recognized previously.

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## Agincourt Community Services Association Notes to the Financial Statements

December 31, 2023

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### 3. Property and equipment

			<u>2023</u>	<u>2022</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	\$ 123,572	\$ 91,073	\$ 32,499	\$ 46,427
Office equipment	151,412	119,094	32,318	-
Furniture and fixtures	174,156	71,664	102,492	90,500
Leasehold improvements	<u>1,549,369</u>	<u>1,494,956</u>	<u>54,413</u>	<u>18,395</u>
	<u>\$ 1,998,509</u>	<u>\$ 1,776,787</u>	<u>\$ 221,722</u>	<u>\$ 155,322</u>

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### 4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$10,090 (2022 - \$7,869) with respect to government remittances.

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### 5. Deferred revenue

Deferred revenue - grants and contributions

	<u>2023</u>	<u>2022</u>
Deferred revenue, beginning of year	\$ 2,790,388	\$ 2,730,066
Funds received during the year	10,387,730	8,726,761
Less: revenue recognized during the year	<u>(9,545,720)</u>	<u>(8,666,439)</u>
Deferred revenue, end of year	<u>\$ 3,632,398</u>	<u>\$ 2,790,388</u>

Deferred revenue - property and equipment

	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ 155,322	\$ 96,097
Funds received during the year	104,432	90,529
Less: revenue recognized during the year	<u>(38,032)</u>	<u>(31,304)</u>
Deferred revenue, end of year	<u>\$ 221,722</u>	<u>\$ 155,322</u>

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# Agincourt Community Services Association

## Notes to the Financial Statements

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December 31, 2023

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### 6. Commitments

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

2024	\$	783,000
2025		675,000
2026		430,000
2027		251,000

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### 7. EarlyON program

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

	<u>2023</u>	<u>2022</u>
Revenue		
City of Toronto	<u>\$ 409,594</u>	<u>\$ 397,620</u>
Expenses		
Salaries and wages	247,256	239,333
Rent	52,216	49,446
Benefits	48,022	44,714
Administration salaries	40,266	39,462
Program related	7,814	14,192
Other costs	7,657	5,187
Utilities and maintenance	6,113	4,436
Professional development	250	850
Business costs	-	-
	<u>409,594</u>	<u>397,620</u>
	<u>\$ -</u>	<u>\$ -</u>

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### 8. 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 (2022 - \$Nil).

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# **Agincourt Community Services Association**

## **Notes to the Financial Statements**

December 31, 2023

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### **8. Financial instruments (continued)**

#### 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.

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### **9. Economic dependence**

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