

ALBION NEIGHBOURHOOD SERVICES

Financial statements

For the year ended December 31, 2020

ALBION NEIGHBOURHOOD SERVICES

Table of Contents

For the year ended December 31, 2020

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 14

Independent Auditor's Report

To the Members of Albion Neighbourhood Services

Opinion

We have audited the financial statements of Albion Neighbourhood Services, which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 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 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 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

Independent Auditor's Report — continued

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.

Independent Auditor's Report — continued

Booth & Partners CPA Professional Corporation
Authorized to practise public accounting by The
Institute of Chartered Professional Accountants of Ontario

Toronto, Ontario
June 10, 2021

ALBION NEIGHBOURHOOD SERVICES
Statement of Financial Position

As at December 31	2020	2019
ASSETS		
Current		
Cash	\$ 1,238,862	\$ 795,794
Accounts receivable	571,142	22,036
Prepaid expenses	8,558	6,297
Government remittances receivable	19,316	22,457
	\$ 1,837,878	\$ 846,584
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 75,849	\$ 103,017
Payroll source deductions payable	24,692	22,436
Funds held in trust	13,864	32,866
Deferred contributions (Note 3)	522,318	364,684
	636,723	523,003
NET ASSETS		
Net equity invested in capital assets (Note 4)	33,621	33,621
Net assets	1,167,534	289,960
	1,201,155	323,581
	\$ 1,837,878	\$ 846,584

On behalf of the Board


_____ Member


_____ Member

ALBION NEIGHBOURHOOD SERVICES
Statement of Changes in Net Assets

For the year ended December 31	2020	2019
NET ASSETS, beginning of year	\$ 289,960	\$ 280,838
Excess of revenue over expenditures	<u>877,574</u>	<u>9,122</u>
NET ASSETS, end of year	<u>\$ 1,167,534</u>	<u>\$ 289,960</u>

See accompanying notes to the financial statements

ALBION NEIGHBOURHOOD SERVICES
Statement of Operations

For the year ended December 31	2020	2019
REVENUE		
Contributions (Note 5)	\$ 3,561,317	\$ 3,153,381
Wage subsidies	868,620	-
In-kind (Note 10)	98,000	98,000
User fees	33,416	106,833
Rent subsidies	21,935	-
Interest income	4,915	6,931
Total revenue	4,588,203	3,365,145
EXPENDITURES		
Personnel (Notes 6 and 10)	2,900,250	2,557,583
Program (Note 8)	410,045	313,616
Occupancy (Notes 9 and 10)	258,840	282,240
Office and general	66,043	63,611
Professional fees	7,276	28,741
Minor equipment	19,515	21,043
Travel	18,473	24,270
Other	10,466	13,939
Volunteers	9,640	10,887
Training	8,652	16,373
Advertising and promotion	1,429	3,422
Fundraising	-	20,298
Total expenditures	3,710,629	3,356,023
EXCESS OF REVENUE OVER EXPENDITURES	\$ 877,574	\$ 9,122

See accompanying notes to the financial statements

ALBION NEIGHBOURHOOD SERVICES
Statement of Cash Flows

For the year ended December 31	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 877,574	\$ 9,122
Changes in non-cash working capital items		
Accounts receivable	(549,106)	10,140
Prepaid expenses	(2,261)	894
Government remittances	3,141	(3,721)
Accounts payable and accrued liabilities	(27,168)	3,049
Payroll source deductions payable	2,256	(1,248)
Funds held in trust	(19,002)	13,645
Deferred contributions	157,634	77,811
	(434,506)	100,570
INCREASE IN CASH	443,068	109,692
CASH, beginning of year	795,794	686,102
CASH, end of year	\$ 1,238,862	\$ 795,794

See accompanying notes to the financial statements

ALBION NEIGHBOURHOOD SERVICES
Notes to Financial Statements

For the year ended December 31

1. NATURE OF OPERATIONS

Albion Neighbourhood Services (the "Organization") is incorporated without share capital in the Province of Ontario. The Organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The Organization works in partnership with the community to enhance peoples' lives through the delivery of programs, services and supports that are engaging, accessible and responsive.

ALBION NEIGHBOURHOOD SERVICES
Notes to Financial Statements

For the year ended December 31

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The Organization follows the deferral method of revenue recognition for contributions. Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions.

Unrestricted contributions, including donations and amounts received from fundraising in the current year, are recognized as revenue when received.

In-kind contributed personnel and occupancy costs

Personnel and occupancy costs contributed to the Organization are recorded as in-kind contributions and in-kind expenses based on their estimated fair value.

Other contributed materials and services

Other contributed materials and services which are normally purchased by the Organization are not recorded in the accounts. Volunteers contribute their time to assist the Organization in delivering its services. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

User fees

User fees revenue is recognized when services are delivered.

Interest income

Interest income is recognized as revenue as it is earned.

Financial instruments

Financial Instruments are comprised of cash and cash equivalents, trade receivables, accounts payable and accrued liabilities. Due to their short-term nature, all financial instruments are carried at amounts which are considered to approximate their fair value.

ALBION NEIGHBOURHOOD SERVICES
Notes to Financial Statements

For the year ended December 31

3. DEFERRED CONTRIBUTIONS

The following contributions have been deferred at the year end:

	Balance, beginning of year	Received	Recognized	Balance, end of year
Deferred contributions	\$ 364,684	\$ 3,231,192	\$ (3,153,381)	\$ 522,318
			2020	2019
Boys and Girls Club of Canada			\$ 72,524	\$ 51,624
United Way of Greater Toronto and York Region			72,472	90,375
Province of Ontario - MHSTCI			35,602	33,547
City of Toronto - Shelter Support and Housing			54,911	26,175
City of Toronto - Youth Gun Violence			167,989	-
City of Toronto - Other			8,388	19,154
Ontario Trillium Foundation			16,168	82,081
The Geoffrey H. Wood Foundation In Trust for AFEY			10,000	10,000
The W. Garfield Weston Foundation			10,000	-
Other Foundations			18,413	15,215
Neighbourhood Information Post			20,842	13,474
Rexdale Community Health Centre			2,890	2,890
Other Agencies			400	4,245
Terri Noseworthy Scholarship Fund			4,513	9,513
Fundraising and Donations			27,206	6,392
TOTAL			\$ 522,318	\$ 364,685

4. NET EQUITY INVESTED IN CAPITAL ASSETS

As at December 31, 2020, the Board of Directors of the Organization has designated net assets of \$33,621 for future capital initiatives and to provide for the cost of replacing minor capital equipment (\$33,621 designated as at December 31, 2019).

ALBION NEIGHBOURHOOD SERVICES
Notes to Financial Statements

For the year ended December 31

5. CONTRIBUTIONS

Contribution revenue recognized in the year was as follows:

	2020	2019
City of Toronto		
Shelter, Support and Housing	\$ 1,549,190	\$ 1,529,860
Community Service Program	162,927	158,688
Toronto Employment and Social Services	312	60,097
Children's Services	10,833	27,000
Other	353,708	99,767
Province of Ontario		
Ministry of HSTCI	622,045	350,353
Ontario Energy Support Program	6,340	14,530
Government of Canada		
ESDC - Canada Summer Jobs	-	54,674
United Way Toronto & York Region		
Program Grant	555,000	520,045
Special Grants	90,584	50,472
Designated Donations	278	2,361
Foundations		
	97,567	65,095
Donations and Fundraising		
Fundraising and Donations	19,548	24,437
Donations - Receipted	5,370	4,915
Special Events	22,985	60,035
Other Agencies	63,130	101,804
Corporate Contributions	1,500	29,248
	<u>\$ 3,561,317</u>	<u>\$ 3,153,381</u>

ALBION NEIGHBOURHOOD SERVICES
Notes to Financial Statements

For the year ended December 31

6. PERSONNEL EXPENSE

Personnel expense for the year was as follows:

	2020	2019
Salaries and Benefits	\$ 2,850,250	\$ 2,507,583
Salaries - In-Kind	50,000	50,000
	<u>\$ 2,900,250</u>	<u>\$ 2,557,583</u>

7. AMADEUSZ PROJECT

Included in the statement of operations are the following revenues and expenses related to the Organizations's trusteeship of the Amadeusz Project. The following is a summary of revenues and expenses for the Amadeusz Project for the year:

	2020	2019
Revenue	\$ 386,635	\$ 212,579
Expenses	<u>(386,635)</u>	<u>(212,579)</u>
	<u>\$ -</u>	<u>\$ -</u>

ALBION NEIGHBOURHOOD SERVICES
Notes to Financial Statements

For the year ended December 31

8. SUMMER CAMP PROGRAM REVENUE AND EXPENSES

Included in the statement of operations are the following revenues and expenses related to the Albion Boys and Girls Club Summer Camp Program:

	2020	2019
REVENUES		
Contributions		
Government of Canada	\$ -	\$ 38,528
City of Toronto	10,833	27,000
Foundations and other agencies	1,802	9,000
Other agencies	-	8,360
	12,635	82,888
EXPENSES		
Personnel	10,006	64,641
Program	879	14,197
Office	1,750	3,500
Travel and training	-	550
	12,635	82,888
	\$ -	\$ -

9. OCCUPANCY COSTS

Occupancy costs for the year were as follows:

	2020	2019
Rent and utilities	\$ 210,840	\$ 234,240
Occupancy - In-Kind	48,000	48,000
	\$ 258,840	\$ 282,240

10. IN-KIND CONTRIBUTIONS AND EXPENSES

During the year, personnel and occupancy costs were contributed to the Organization. In 2020, management estimated the value of contributed personnel and occupancy costs to be \$98,000.

ALBION NEIGHBOURHOOD SERVICES
Notes to Financial Statements

For the year ended December 31

11. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year's excess revenue over expenditures.

12. COVID-19 IMPACT

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the company and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.