
**ONTARIO COUNCIL FOR
INTERNATIONAL COOPERATION**

FINANCIAL STATEMENTS

MARCH 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Council for International Cooperation,

Opinion

We have audited the financial statements of Ontario Council for International Cooperation (the organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of Ontario Council for International Cooperation as at March 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 Opinion

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 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 your 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.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

July 10, 2021
Toronto, Ontario

ONTARIO COUNCIL FOR INTERNATIONAL COOPERATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	2021	2020
ASSETS		
Current assets		
Cash	\$ 180,076	\$ 149,457
Term deposits (note 3)	40,282	39,896
Amounts receivable	6,995	17,599
Prepaid expenses and deposits	<u>2,685</u>	<u>4,159</u>
	<u>\$ 230,038</u>	<u>\$ 211,111</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 20,520	\$ 16,516
Deferred contributions (note 6)	<u>83,078</u>	<u>135,492</u>
	103,598	152,008
Long-term liabilities		
Canada Emergency Business Account (CEBA) loan (note 5)	<u>30,000</u>	<u>-</u>
	<u>133,598</u>	<u>152,008</u>
Net assets		
Internally restricted (note 7)	57,000	57,000
Unrestricted	<u>39,440</u>	<u>2,103</u>
	<u>96,440</u>	<u>59,103</u>
	<u>\$ 230,038</u>	<u>\$ 211,111</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

ONTARIO COUNCIL FOR INTERNATIONAL COOPERATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUE		
Government grants (note 8)	\$ 576,248	\$ 529,459
Membership fees	29,295	33,684
Forgivable portion of CEBA loan	10,000	-
Professional services	3,282	21,985
Donations	2,283	967
Investment income	<u>1,076</u>	<u>1,324</u>
	<u>622,184</u>	<u>587,419</u>
EXPENSES (note 9)		
Program		
Global Affairs Canada	476,906	382,242
City of Toronto	39,113	-
Employment and Social Development of Canada - SDG	-	84,567
Administration	<u>68,828</u>	<u>133,673</u>
	<u>584,847</u>	<u>600,482</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	37,337	(13,063)
Net assets, beginning of year	<u>59,103</u>	<u>72,166</u>
NET ASSETS, END OF YEAR	<u>\$ 96,440</u>	<u>\$ 59,103</u>

see accompanying notes

ONTARIO COUNCIL FOR INTERNATIONAL COOPERATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	\$ 37,337	\$ (13,063)
Net change in non-cash working capital items (see below)	<u>(36,332)</u>	<u>21,922</u>
Net cash generated from operating activities	1,005	8,859
INVESTING ACTIVITIES		
Term deposits purchased	(386)	(413)
FINANCING ACTIVITIES		
Proceeds from CEBA loan, net of forgivable portion	<u>30,000</u>	<u>-</u>
NET INCREASE IN CASH FOR THE YEAR	30,619	8,446
Cash, beginning of year	<u>149,457</u>	<u>141,011</u>
CASH, END OF YEAR	<u><u>\$ 180,076</u></u>	<u><u>\$ 149,457</u></u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Amounts receivable	\$ 10,604	\$ (8,507)
Prepaid expenses and deposits	1,474	8,127
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	4,004	(3,792)
Government remittances payable	-	(7,742)
Deferred contributions	<u>(52,414)</u>	<u>33,836</u>
	<u><u>\$ (36,332)</u></u>	<u><u>\$ 21,922</u></u>

see accompanying notes

ONTARIO COUNCIL FOR INTERNATIONAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

Ontario Council for International Cooperation (the Organization or OCIC) is incorporated without share capital in the Province of Ontario. The Organization is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

The Organization encourages the development of the Ontario international development and global education sectors and the sharing of resources between OCIC members by providing forums for networking, communications and collaborative reflection and action, and facilitating capacity building in public engagement and organizational development. The Organization is a learning organization with inclusive, cooperative and participatory processes that are accessible and accountable to all members.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

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

- i) The Organization follows the deferral method of revenue recognition for contributions, which include government grants and donations. Unrestricted contributions are recognized as revenue when received. Restricted grants are initially recorded as deferred contributions and then recognized as revenue in the year in which the related expenses are incurred. Pledges are not recorded as revenue.
- ii) Membership fees are recognized in the year to which the membership applies.
- iii) Professional services revenue is recognized once the service has been delivered.
- iv) Investment income is recognized as revenue when earned.

Contributed materials and services

Contributed materials and services which are normally purchased by the Organization are not recorded in the accounts. Volunteers contributed approximately 2,280 (2020 - 1,902) [unaudited] hours during the year to assist the Organization in carrying out its services activities. Due to the difficulty in determining the fair value, contributed services are not recorded in these financial statements.

Allocation of expenses

Salaries and benefits are allocated to administration and program expenses based on time spent on each function.

2. FINANCIAL INSTRUMENTS

The Organization records financial instruments, which include cash, term deposits, amounts receivable, CEBA loan payable, accounts payable and accrued liabilities, initially at fair value. All financial instruments are subsequently recorded net of any provisions for impairment in value.

3. TERM DEPOSITS

Term deposits are issued by a Canadian credit union, bear interest at rates ranging from 0.15% to 2.15% and mature between December 2021 to February 2022.

ONTARIO COUNCIL FOR INTERNATIONAL COOPERATION

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MARCH 31, 2021

4. LINE OF CREDIT

The Organization has an unsecured line of credit for \$40,000, which bears interest at 5.45%. None of the line of credit was used as at March 31, 2021 and as at March 31, 2020.

5. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

During the year, the Organization obtained the Canada Emergency Business Account (CEBA) loan of \$40,000 from the Government of Canada. The unsecured loan bears no interest and no principal repayments are required until December 31, 2022. Proceeds from the loan can only be used for non-deferrable operating expenses. If the Organization repays \$30,000 of the loan when due, the remaining \$10,000 is forgiven. As at year end, the organization's resources are sufficient to repay the loan when due and therefore the forgivable portion of the loan has been recognized as revenue in the current year. As at year end, the Organization made no principal repayments in respect of the CEBA loan.

6. DEFERRED CONTRIBUTIONS

Deferred contributions are as follows:

	2021	2020
Global Affairs Canada	\$ 71,873	\$ 135,492
City of Toronto	8,205	-
Other	<u>3,000</u>	<u>-</u>
	<u>\$ 83,078</u>	<u>\$ 135,492</u>

Continuity of deferred contributions for the year is as follows:

	2021	2020
Deferred contributions, beginning of year	\$ 135,492	\$ 101,656
Government grants received	523,834	563,295
Less government grants recognized as revenue	<u>(576,248)</u>	<u>(529,459)</u>
Deferred contributions, end of year	<u>\$ 83,078</u>	<u>\$ 135,492</u>

7. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets represent funds designated by the Board of Directors for unanticipated losses of funding. These internally restricted net assets are not available for use by the Organization without approval from the Board of Directors.

ONTARIO COUNCIL FOR INTERNATIONAL COOPERATION

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MARCH 31, 2021

8. GOVERNMENT GRANTS

Government grants recognized in the year were as follows:

	2021	2020
Global Affairs Canada	\$ 534,135	\$ 444,892
City of Toronto	42,113	-
Employment and Social Development Canada - SDG	<u>-</u>	<u>84,567</u>
	<u>\$ 576,248</u>	<u>\$ 529,459</u>

In fiscal 2020, the Organization signed a contribution agreement, which ends on July 31, 2023, with Global Affairs Canada for a program entitled *Inspiring Action for Global Citizenship*.

In fiscal 2021, the Organization administered a fund on behalf of the City of Toronto to provide technology and communication support to marginalized communities.

9. ALLOCATION OF EXPENSES

Included in the statement of operations are salaries and benefits expenses which are allocated to the following activities:

	2021	2020
Global Affairs Canada	\$ 435,930	\$ 362,511
Administration	17,763	33,437
Employment and Social Development Canada - SDG	<u>-</u>	<u>19,361</u>
	<u>\$ 453,693</u>	<u>\$ 415,309</u>