MISSISSIPPI MILLS YOUTH CENTRE

FINANCIAL STATEMENTS

DECEMBER 31, 2023

KELLY HUIBERS McNEELY
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Mississippi Mills Youth Centre

Qualified Opinion

We have audited the accompanying financial statements of Mississippi Mills Youth Centre ("the Centre"), which comprise the statement of financial position as at December 31, 2023, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified 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 Centre 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.

In common with many not-for-profit organizations, the Centre derives revenue from donations and 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 Centre. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, net revenue, 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 the beginning and the end of the years ended December 31, 2023 and 2022. The audit opinion on the financial statements for the year ended December 31, 2022 was also qualified because of the possible effects of this limitation in scope.

106B McGonigal St. W.
Arnprior, Ontario K7S 1M4

9 Emily Street
Carleton Place, Ontario K7C 1R9

16 Gore Street West
Perth, Ontario K7H 2L6

5992 Hazeldean Rd.
Stittsville, Ontario K2S 1B9

Phone: 613-963-1430 (1-866-999-1339) Fax: 613-686-3960 (Perth local 613-267-3949)

acctg@khmpc.ca

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

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

- 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.

Kelly Huibers McNeely
Professional Corporation

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

Stittsville, Ontario
May 27, 2024

MISSISSIPPI MILLS YOUTH CENTRE

STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 59,298	$ 98,920
Investments (note 4)	1,030	1,000
Accounts receivable	2,024	1,610
HST receivable	3,218	4,599
	$ 65,570	**$ 106,129**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 12,118	$ 8,984
Government payables	3,040	2,626
Deferred revenue (note 5)	15,370	45,525
	30,528	57,135
NET ASSETS	35,042	48,994
	$ 65,570	**$ 106,129**

APPROVED ON BEHALF OF THE BOARD

Ken Kicksee
Director (Board Chair)

David Burkett
Director (Board Treasurer)

The accompanying notes are an integral part of these financial statements.

MISSISSIPPI MILLS YOUTH CENTRE

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2023

	2023	2022
REVENUE		
County of Lanark	$ 40,000	$ 40,000
Municipality of Mississippi Mills	-	1,259
United Way	24,848	62,902
Federal wage grants	17,360	-
Other grants	88,235	52,822
Donations:		
Corporate	2,000	9,275
Community	22,820	18,039
Service clubs	17,800	16,596
Fundraising	8,784	11,746
Summer camp and workshop fees	13,425	14,325
Other	781	-
	236,053	226,964
EXPENSES		
Advertising and promotion	295	206
Fundraising	1,876	2,874
Insurance	3,341	3,262
Office	2,113	2,984
Operating costs	7,344	4,859
Professional development	531	543
Professional fees	6,850	7,500
Program costs	44,994	16,512
Salaries and wages	178,946	163,206
Summer and spring camp costs	1,653	5,547
Telephone and internet	2,062	1,912
	250,005	209,405
NET REVENUE (EXPENSES)	(13,952)	17,559
NET ASSETS - BEGINNING OF YEAR	48,994	31,435
NET ASSETS - END OF YEAR	**$ 35,042**	**$ 48,994**

MISSISSIPPI MILLS YOUTH CENTRE

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	2023	**2022**
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expenses)	$ (13,952)	$ 17,559
Net change in non-cash working capital items:		
Accounts receivable	(414)	54,144
HST receivable	1,381	841
Accounts payable and accrued liabilities	3,134	(14,867)
Government payables	414	263
Deferred revenue	(30,155)	7,693
	(39,592)	65,633
INVESTING ACTIVITIES		
Purchase of investments	(30)	(1,000)
NET CHANGE IN CASH	(39,622)	64,633
CASH - BEGINNING OF YEAR	98,920	34,287
CASH - END OF YEAR	**$ 59,298**	**$ 98,920**

The accompanying notes are an integral part of these financial statements.

1. NATURE AND PURPOSE

The Mississippi Mills Youth Centre ("the Centre") operates a drop in centre for youth between the ages of 10 and 18. The centre provides access to various programs and events including recreation, social, educational and life skills programs, activities, workshops and events. The Centre is governed by a Board of Directors, and is located in the Municipality of Mississippi Mills.

The Centre was incorporated under the Canada Not-For-Profit Corporations Act in January 2018. As a registered charity, the Centre is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Centre follows the deferral method of accounting for contributions for not-for-profit organizations. Under the deferral method, unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted donations and grants are recognized as revenue when the related expenditure is incurred.

Grants are recorded as revenue in the period to which they relate. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Donations and other revenue are recorded as received.

Expense Recognition

Expenses are recognized according to the accrual basis of accounting in that the expenses are recorded as incurred as a result of receipt of goods and services and the creation of a legal obligation to pay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

No amounts are reflected in the financial statements for donated services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Centre and its activities.

Investments

Investments are recorded at cost plus accrued interest, which approximates fair value.

Deferred Revenue

The Centre receives certain amounts for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the expenses are incurred or services performed.

Government Transfers

Government transfers are recognized in the financial statements as revenue in the period which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ECONOMIC DEPENDENCE

The Centre is dependent on ongoing funding provided by the County of Lanark and the Municipality of Mississippi Mills.

4. INVESTMENTS

The Centre's investments consist of a guaranteed investment certificate, which earns interest at 4.05% per annum and matures in November 2024.

5. DEFERRED REVENUE

Deferred revenue consists of amounts received from various grants and donations but not spent at year-end. The revenue will be recognized when related expenditures are incurred.

	Opening	Received	Recognized	Closing
United Way	$ -	$ 25,500	$ (24,848)	$ 652
Other grants	43,525	56,228	(88,235)	11,518
Donations - Service clubs	2,000	19,000	(17,800)	3,200
	$ 45,525	**$ 100,728**	**$ (130,883)**	**$ 15,370**

6. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. It is Management's opinion that, unless otherwise stated, the fair value of these instruments is not materially different than their cost and that the Centre is not exposed to significant interest rate or market risk.

Credit Risk

The Centre is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Centre does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what Management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre meets its liquidity requirements by preparing and monitoring detailed annual budgets and maintaining adequate net assets held in cash or assets that can be readily converted in cash.