

MISSISSIPPI MILLS YOUTH CENTRE

FINANCIAL STATEMENTS

DECEMBER 31, 2021

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Fund Balances

Statement of Cash Flows

Notes to the Financial Statements



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUIBERS MCNEELY

P R O F E S S I O N A L C O R P O R A T I O N

August 29, 2022

MISSISSIPPI MILLS YOUTH CENTRE
134 Main St E
Almonte, ON
K0A 1A0

Attention: Sarah Bingham

Dear Ms. Bingham:

MISSISSIPPI MILLS YOUTH CENTRE - FINANCIAL STATEMENTS

Please find attached an electronic copy of the financial statements for Mississippi Mills Youth Centre as at December 31, 2021 and the respective adjusting journal entries.

Our fees for the professional services were emailed to you for the year ended December 31, 2021. I trust you will find the fees to your satisfaction, but if you should have any questions, please do not hesitate to call.

Yours very truly,

KELLY HUIBERS MCNEELY
Professional Corporation

Michelle E. Huibers, CPA, CA

enclosures

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



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUBBERS McNEELY

PROFESSIONAL CORPORATION

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, 2021, and the statements of operations and changes in fund balances, 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, 2021, 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at the beginning and the end of the years ended December 31, 2021 and 2020. The audit opinion on the financial statements for the year ended December 31, 2020 was also qualified because of the possible effects of this limitation in scope.

Other Matter

The financial statements of the Centre for the year ended December 31, 2020, were audited by another auditor who expressed a qualified opinion on those statements on January 10, 2022.

1068 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

Stittsville, Ontario
August 22, 2022


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

MISSISSIPPI MILLS YOUTH CENTRE
STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 33,998	\$ 36,703
Accounts receivable	56,043	21,838
HST receivable	5,440	2,645
	<u>\$ 95,481</u>	<u>\$ 61,186</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 23,851	\$ 6,164
Government payables	2,363	2,571
Deferred revenue	<u>37,832</u>	<u>29,135</u>
	64,046	37,870
FUND BALANCES	31,435	23,316
	<u>\$ 95,481</u>	<u>\$ 61,186</u>

APPROVED ON BEHALF OF THE BOARD

Director



Director



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

MISSISSIPPI MILLS YOUTH CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended December 31, 2021

	2021	2020
REVENUE		
County of Lanark	\$ 40,000	\$ 40,000
Municipality of Mississippi Mills	4,102	13,941
United Way	146,681	61,785
Federal wage grants	26,203	10,570
Other grants	14,112	6,895
Donations:	6,100	-
Corporate	12,926	10,255
Community	15,738	7,800
Service clubs	4,661	2,954
Fundraising	7,920	4,520
Summer camp and workshop fees	-	500
Other	-	-
	<u>278,443</u>	<u>159,220</u>
EXPENSES		
Advertising and promotion	543	357
Fundraising	274	987
Insurance	3,155	3,083
Office	1,912	3,211
Operating costs	2,931	673
Professional fees	6,595	4,601
Professional development	-	315
Program costs	109,600	33,573
Summer and spring camp costs	3,400	1,634
Salaries and wages	139,967	92,228
Telephone and internet	1,947	1,879
	<u>270,324</u>	<u>142,541</u>
NET REVENUE	8,119	16,679
FUND BALANCES - BEGINNING OF YEAR	23,316	6,637
FUND BALANCES - END OF YEAR	<u>\$ 31,435</u>	<u>\$ 23,316</u>

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

MISSISSIPPI MILLS YOUTH CENTRE

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	2021	2020
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 8,119	\$ 16,679
Net change in non-cash working capital items:		
Accounts receivable	(34,205)	(19,487)
HST receivable	(2,795)	(649)
Accounts payable and accrued liabilities	17,687	3,165
Government payables	(208)	515
Deferred revenue	<u>8,697</u>	<u>29,135</u>
NET CHANGE IN CASH	(2,705)	29,358
CASH - BEGINNING OF YEAR	36,703	7,345
CASH - END OF YEAR	<u>\$ 33,998</u>	<u>\$ 36,703</u>

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

MISSISSIPPI MILLS YOUTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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.

MISSISSIPPI MILLS YOUTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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.

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.

MISSISSIPPI MILLS YOUTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

4. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, 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.

Mississippi Mills Youth Centre
 Year End: December 31, 2021
 Adjusting journal entries
 Date: 1/1/2021 To 12/31/2021

Completed by	Reviewed by
8/23/2022	7/18/2022

6.4

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
						150.00		
2	12/31/2021	Expense Advance	13000		150.00			
2	12/31/2021	Program Expense-ECSF Nutrition Grant Expense	68000					
		to recognize advanced expense that relates to CY						
						1,894.00		
3	12/31/2021	Accounts Receivable	11000		1,894.00			
3	12/31/2021	Bad debt expense	59300					
		to write-off June-Dec 2017 HST rebate that was disallowed per CRA (\$1,893.62)						
						929.00		
5	12/31/2021	GST/HST Payable	23000		357.00			
5	12/31/2021	Administration:Office:Bookkeeping	57000		238.00			
5	12/31/2021	Administration:Professional Fees	59000		80.00			
5	12/31/2021	Operating Costs:Internet	60000		68.00			
5	12/31/2021	Operating Costs:Material & Supplies	61000		90.00			
5	12/31/2021	Operating Costs:Repair & Maintenance	62000		96.00			
5	12/31/2021	Operating Costs:Telephone	64000					
		to allocate non-rebated HST Jan-Dec 2021						
					300.00			
6	12/31/2021	Gift Card	10953			300.00		
6	12/31/2021	Donations: In-Kind	41020					
		to reallocate donated gift cards as requested by client						
					1,588.00			
7	12/31/2021	Payroll Liabilities	24000			1,588.00		
7	12/31/2021	Payroll Expenses	65000					
		to accrue for December source deductions paid in January						
					3,388.00			
8	12/31/2021	Accrued Liabilities	21000			3,835.00		
8	12/31/2021	Accrued Liabilities	21000		447.00			
8	12/31/2021	Payroll Expenses	65000					
		to adjust payroll accrual to actual for December payroll period paid in January (pay period: 12/18/2021-12/31/2021)						
					8,696.00	8,696.00		
		Net Income (Loss)	8,119.00					