

MISSISSIPPI MILLS YOUTH CENTRE

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Net Assets

Statement of Cash Flows

Notes to the Financial Statements



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUIBERS 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, 2025, 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, 2025, 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, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at the beginning and the end of the years ended December 31, 2025 and 2024. Our audit opinion on the financial statements for the year ended December 31, 2024 was also qualified because of the possible effects of this limitation in scope.

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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
May 25, 2026

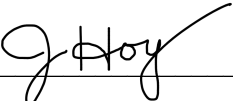
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The Chartered Professional Accountants of Ontario

MISSISSIPPI MILLS YOUTH CENTRE
STATEMENT OF FINANCIAL POSITION


As at December 31, 2025

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 51,771	\$ 35,544
Investments (note 4)	1,107	1,072
Accounts receivable	427	-
HST receivable	1,676	2,061
	\$ 54,981	\$ 38,677
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,514	\$ 10,386
Government payables	4,645	3,063
Deferred revenue (note 5)	15,105	14,639
	23,264	28,088
NET ASSETS	31,717	10,589
	\$ 54,981	\$ 38,677

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 NET ASSETS

For the year ended December 31, 2025

	2025	2024
REVENUE		
County of Lanark	\$ 40,000	\$ 40,000
Municipality of Mississippi Mills	9,416	17,650
United Way	28,949	28,402
Federal wage grants	21,543	18,454
Other grants	65,839	42,244
Donations:		
Corporate	12,800	2,000
Community	17,284	13,583
Service clubs	35,174	33,775
Fundraising	19,598	21,916
Summer camp and workshop fees	15,775	9,875
Other	549	869
	<u>266,927</u>	<u>228,768</u>
EXPENSES		
Advertising and promotion	296	153
Fundraising	3,239	6,168
Insurance	3,443	3,431
Office	2,336	2,104
Operating costs	2,890	4,716
Professional development	148	195
Professional fees	7,350	7,100
Program costs	11,984	30,651
Salaries and wages	210,404	194,448
Summer and spring camp costs	1,936	2,320
Telephone and internet	1,773	1,935
	<u>245,799</u>	<u>253,221</u>
NET REVENUE (EXPENSES)	21,128	(24,453)
NET ASSETS - BEGINNING OF YEAR	10,589	35,042
NET ASSETS - END OF YEAR	<u>\$ 31,717</u>	<u>\$ 10,589</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, 2025

	2025	2024
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expenses)	\$ 21,128	\$ (24,453)
Net change in non-cash working capital items:		
Accounts receivable	(427)	2,024
HST receivable	385	1,157
Accounts payable and accrued liabilities	(6,872)	(1,732)
Government payables	1,582	23
Deferred revenue	<u>466</u>	<u>(731)</u>
	<u>16,262</u>	<u>(23,712)</u>
INVESTING ACTIVITIES		
Purchase of investments	(1,107)	(1,072)
Redemption on maturity of investments	<u>1,072</u>	<u>1,030</u>
	<u>(35)</u>	<u>(42)</u>
NET CHANGE IN CASH	16,227	(23,754)
CASH - BEGINNING OF YEAR	35,544	59,298
CASH - END OF YEAR	<u>\$ 51,771</u>	<u>\$ 35,544</u>

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

MISSISSIPPI MILLS YOUTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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, or receivable if collection is reasonably assured.

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, 2025

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.

MISSISSIPPI MILLS YOUTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

4. INVESTMENTS

The Centre's investments consist of a guaranteed investment certificate, which earns interest at 2.45% per annum and matures in November 2026.

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	\$ -	\$ 30,020	\$ (28,949)	\$ 1,071
Other grants	11,139	65,484	(65,839)	10,784
Donations - Corporate	-	16,050	(12,800)	3,250
Donations - Service clubs	3,500	31,674	(35,174)	-
	<u>\$ 14,639</u>	<u>\$ 143,228</u>	<u>\$ (142,762)</u>	<u>\$ 15,105</u>

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, currency, credit or market risk.

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.