

Volunteer Mississauga Brampton Caledon
Financial Statements
December 31, 2023



Independent Auditor's Report

To the Members of

Volunteer Mississauga Brampton Caledon

Qualified Opinion

We have audited the financial statements of **Volunteer Mississauga Brampton Caledon** ("Volunteer MBC"), which comprise the statement of financial position as at **December 31, 2023**, the statements of operations and changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Volunteer MBC 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

In common with many charitable organizations, Volunteer MBC derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded by Volunteer MBC. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, 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 January 1 and December 31 for both the 2023 and 2022 years.

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 Volunteer MBC 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.

Other Matter

The financial statements of Volunteer MBC for the year ended December 31, 2022 were audited by another auditor who expressed a qualified opinion on those statements on May 25, 2023.

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 Volunteer MBC'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 Volunteer MBC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Volunteer MBC's financial reporting process.

Volunteer Mississauga Brampton Caledon

Independent Auditor's Report

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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 Volunteer MBC'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 Volunteer MBC'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 Volunteer MBC 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.

Clarkson Rouble LLP

Mississauga, Ontario
April 4, 2024

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Volunteer Mississauga Brampton Caledon

Statement of Financial Position As at December 31

	2023	2022
Assets		
Current		
Cash	\$ 131,915	\$ 117,718
Investments (Note 2)	406,113	291,506
Accounts receivable	7,050	7,327
Sales taxes receivable	9,317	9,325
Prepaid expenses and deposits	11,611	5,415
	\$ 566,006	\$ 431,291
Liabilities		
Current		
CEBA loan (Note 7)	\$ -	\$ 40,000
Accounts payable and accrued liabilities	58,606	28,640
Deferred revenue (Note 3)	178,217	109,264
	236,823	177,904
Net Assets	329,183	253,387
	\$ 566,006	\$ 431,291

See accompanying notes to financial statements

On behalf of the Board:

per:



Jim Waechter

Director



Fenil Sanghvi

Director

Volunteer Mississauga Brampton Caledon

Statement of Operations and Changes in Net Assets Year Ended December 31

	2023	2022
Revenue		
Government - Federal	\$ 68,538	\$ 17,848
Government - Provincial	36,327	25,254
Government - Regional	152,016	126,819
Municipalities - Mississauga, Brampton and Caledon	86,700	76,299
Foundations - Ontario Trillium, United Way & other	150,891	173,477
Core programs, learning centre, memberships & miscellaneous	60,772	40,353
Core partnership programs	58,294	47,570
Fund development	56,588	80,822
Unrealized gain (loss)	38,462	(35,391)
	<u>708,588</u>	<u>553,051</u>
Expenses		
Program expenses (Schedule A)	524,778	503,675
Consulting	26,180	30,104
Rent	23,400	21,072
Information technology	8,247	11,558
Professional fees	12,372	12,446
Advertising and promotion	12,539	12,220
Travel and accommodations	8,215	11,282
Office and general	3,693	7,076
Insurance	3,173	3,154
Equipment lease	3,153	2,777
Website development	4,209	1,516
Interest and bank charges	2,593	2,758
Memberships and licences	240	390
	<u>632,792</u>	<u>620,028</u>
Excess (deficiency) of revenue over expenses	75,796	(66,977)
Net assets, beginning of year	253,387	320,364
Net assets, end of year	\$ 329,183	\$ 253,387

See accompanying notes to financial statements

Volunteer Mississauga Brampton Caledon

Statement of Cash Flows Year Ended December 31

	2023	2022
Operating activities		
Excess of revenue over expenses for the year	\$ 75,796	\$ (66,977)
Items not requiring an outlay of cash		
Unrealized (gain) loss from investments	(38,462)	35,391
	<u>37,334</u>	<u>(31,586)</u>
Cash generated from (used for)		
Operating working capital		
Accounts receivable	277	(6,017)
Sales tax receivable	8	7,101
Prepaid expenses and deposits	(6,196)	-
Accounts payable and accrued charges	29,966	(16,625)
Deferred revenue	68,953	(13,709)
	<u>130,342</u>	<u>(60,836)</u>
Increase (decrease) from operating activities		
Financing activities		
CEBA loan repayment	(40,000)	-
	<u>(40,000)</u>	<u>-</u>
Decrease from financing activities		
Investing activities		
Purchase of investments	(89,610)	-
Investment income (Note 2)	13,465	12,901
	<u>(76,145)</u>	<u>12,901</u>
(Decrease) increase from investing activities		
Increase (decrease) in cash for the year	14,197	(47,935)
Cash, beginning of year	117,718	165,653
Cash, end of year	\$ 131,915	\$ 117,718

See accompanying notes to financial statements

Volunteer Mississauga Brampton Caledon

Notes to Financial Statements

December 31, 2023

Volunteer Mississauga Brampton Caledon ("Volunteer MBC") is a volunteer centre that fuels purposeful connections between people to respond to the most pressing social issues in our community.

Through volunteerism Volunteer MBC improves lives by connecting people to the causes that need them, enabling improved volunteer recruitment and engagement, raising awareness of community needs and assets, and recognizes excellence to thank volunteers and inspire others. Volunteer MBC also strengthens organizations' effectiveness and strategy by training boards and staff to be more effective and efficient and brings organizations together to share resources and collaborate. Finally, Volunteer MBC brings people together to make a positive difference by developing inclusive community-led service initiatives, implementing collective action among youth, seniors and newcomers right across Peel Region.

Volunteer MBC was incorporated under the Business Corporation Act - Ontario on August 21, 2009 without share capital, which is exempt from income taxes as long as it complies with the applicable provisions of the Income Tax Act. Volunteer MBC received charitable status on May 12, 2010 for the purpose of accepting tax receipted donations.

1. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

a) Revenue recognition

Volunteer MBC follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Unrestricted investment income is recognized as revenue when earned. Investment income on restricted funds is recognized as revenue of the general fund when earned.

b) Cash and cash equivalents

Volunteer MBC's policy is to present bank balances including cash on hand on short term investments with a maturity period of 3 months or less from the date of acquisition into cash under cash and cash equivalents.

Volunteer Mississauga Brampton Caledon

Notes to Financial Statements
December 31, 2023

1. Significant accounting policies (continued)

c) Contributed materials and services

Volunteer MBC only recognizes contributions of materials and services when a fair value can be reasonably estimated.

The delivery of services and programs for Volunteer MBC is highly dependent upon the voluntary service of exceptional volunteers. During the year, 136 volunteers freely donated in excess of 4,873 hours of their time. Due to the difficulty in determining their fair value, volunteer services are not recognized in the financial statements. While the financial value of these donated services has not been recognized in these statements, the socio-economic impact for Volunteer MBC is immense.

d) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Capital assets are amortized using the straight line method at rates intended to amortize the cost of assets over their estimated useful lives.

Leasehold improvements	- 10 years
Office equipment	- 3 years

Contributed capital assets are recorded at fair value at the date of contribution.

e) Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. There were no indications of impairment in the current year.

Volunteer Mississauga Brampton Caledon

Notes to Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

f) Measurement uncertainty

The preparation of Volunteer MBC's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in the financial statements relate to accounts receivable, certain accrued liabilities and the estimated useful lives of capital assets. Actual results could differ from those estimates.

g) Financial instruments

Financial instruments

Volunteer MBC initially measures its financial assets and liabilities at fair value. Volunteer MBC subsequently measures all its financial assets and financial liabilities at amortized cost, with the exception of investments, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include short term debt, accounts payable and accrued liabilities.

Transaction costs

Volunteer MBC recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

Volunteer Mississauga Brampton Caledon

Notes to Financial Statements December 31, 2023

2. Investments

	2023	2022
Mutual funds	\$ 67,296	\$ 63,806
Callable bond maturing June 2028	144,672	133,489
Callable bond maturing August 2028	71,715	65,475
Callable bond maturing February 2029	32,820	28,736
GIC bearing interest at 4% maturing April 2024	89,610	-
	<u>\$ 406,113</u>	<u>\$ 291,506</u>

Investment income of \$13,464 (2022 - \$12,901), and unrealized gain from investments of \$38,461 (2022 - loss of \$35,391) are included in core programs, learning centre, memberships, tax rebates and miscellaneous.

3. Deferred revenue

Deferred revenue represents funding received from governments, government agencies, municipalities, foundations and other organizations that is related to expenses to be incurred in subsequent years. Memberships and program revenues received in advance and related to subsequent periods are also included in deferred revenue.

	Deferred Revenue December 31, 2022	Receipts Received/ Receivable	Current Revenue	Deferred Revenue December 31, 2023
Region of Peel	\$ 21,916	\$ 60,000	\$ 52,016	\$ 29,900
City of Brampton	22,474	35,700	39,700	18,474
Federal - ESDC	-	37,131	32,451	4,680
Federal - New Horizon Brampton and Caledon	20,463	20,080	24,805	15,738
Community Foundation	-	1,500	-	1,500
Ontario Trillium Foundation	24,351	72,700	73,557	23,494
Provincial Seniors Grant	18,936	23,200	36,327	5,809
United Way	272	160,740	82,948	78,064
Ontario Volunteer Centre Network	852	-	294	558
	<u>\$ 109,264</u>	<u>\$ 411,051</u>	<u>\$ 342,098</u>	<u>\$ 178,217</u>

Volunteer Mississauga Brampton Caledon

Notes to Financial Statements December 31, 2023

4. Administrative fees

Volunteer MBC acts as an administrator on behalf of Ontario Volunteer Centre Network (OVCN) and reports activities during the year relating to duties carried out on a net basis. Revenue and expenses associated with these activities are as follows:

	2023	2022
Revenue	\$ 294	\$ 337
Expenses	294	337
Excess of revenue over expenses	\$ -	\$ -

5. Commitments

The company has operating leases for its premises and equipment. The minimum annual lease payments for the following years are:

2024	\$ 22,388
2025	21,798
2026	21,788
2027	19,744
2028	19,812
Thereafter (2029 - 2033)	93,657
	\$ 199,187

6. Financial instruments risk exposure

Volunteer MBC is exposed to various risks through its financial instruments. The following analysis provides a measure of Volunteer MBC's risk exposure and concentrations at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Volunteer MBC's main credit risks relate to accounts receivable, however the risk is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The organization has not had issues with these collections over the past several years. The allowance for doubtful accounts is \$Nil (2022 - \$Nil).

Volunteer Mississauga Brampton Caledon

Notes to Financial Statements

December 31, 2023

6. Financial instruments risk exposure (continued)

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. Volunteer MBC is exposed to this risk mainly in respect of its obligations under accounts payable, and short-term debt. Volunteer MBC manages liquidity risk by monitoring its operating requirements. Volunteer MBC prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The organization has not had issues with meeting obligations in the past several years.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rates. Volunteer MBC is exposed to interest rate risk on its investments as described in Note 2. Specifically, the Organization is exposed to fair value risk due to changes in market rates of interest. The risk is mitigated as management expects to hold its interest bearing investments to maturity.

Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk), whether those changes are caused by factors to the individual instrument or its issuer, or factors affecting all instruments traded in the market. Volunteer MBC is exposed to other price risk through its investments as described in Note 2.

7. Government assistance related to Covid-19

In 2020 a loan of \$40,000 was received under the Canada Emergency Business Account (CEBA) program. During 2021 and additional \$20,000 was provided, for a total CEBA loan of \$60,000. The loan is a non interest bearing loan, with no principal payments, and if Volunteer MBC repays at least \$40,000 of the principal amount prior to January 18, 2024, the remaining \$20,000 of the principal amount will be forgiven. The loan was repaid in full prior to year end, and loan forgiveness was applied as final payment on the loan. Volunteer MBC recognized the forgivable portion of these loans in the year received. Volunteer MBC recognized \$10,000 in fiscal 2020 and \$10,000 in fiscal 2021 which was reflected in miscellaneous revenue.

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Notes to Financial Statements

December 31, 2023

8. Comparative amounts

Certain of the prior year comparative amounts have been re-classified to conform to the current year's financial statement presentation.

Volunteer Mississauga Brampton Caledon

Program Expenses
December 31, 2023

Schedule A

	2023	2022
Program Expenses		
Salaries and benefits	\$ 383,114	\$ 392,625
Contract staff	86,363	78,633
Learning centre	25,165	12,895
Fund development	14,335	12,585
Honorariums	475	3,000
Volunteer recognition	308	2,617
Project management	6,947	1,080
Training and conference	71	188
Community engagement	8,000	52
	\$ 524,778	\$ 503,675

Volunteer Mississauga Brampton Caledon

Statement of Operations by Program and Changes in Net Assets

Year Ended December 31,

Schedule B

	Core	Federal	Provincial	Foundations	Region of Peel	Ontario Trillium	United Way of Greater Toronto	City of Brampton	Town of Caledon	City of Mississauga	2023 Total	2022 Total
Revenues												
Government - Federal		\$ 68,538	\$ 36,327								\$ 104,865	\$ 104,865
Government - Provincial												
Government - Regional												
Municipalities - Mississauga, Brampton & Caledon					152,016			39,700	7,000	40,000	198,716	198,716
Foundations - Ontario Trillium, United W. & other						68,215	82,676				150,891	173,477
Core programs, Learning Centre, memberships and miscellaneous	60,772										60,772	40,453
Partnership programs	58,294										58,294	47,270
Fund development	56,588										56,588	50,822
Unrealized losses	38,462										38,462	43,491
	214,316	68,538	36,327		152,016	68,215	82,676	39,700	7,000	40,000	397,576	452,451
Expenses												
Operations												
Contingency	6,888	150	4,384		12,594	919	346				26,159	30,104
Rent expense	39		200		11,152	4,209	1,800	2,400			23,400	21,072
Information technology	(331)	382	4,378			2,521	1,350	2,445	520		8,247	11,355
Professional fees	417		529		3,305	1,976	2,250	310			12,372	12,446
Advertising and promotion	27	6,725	4,010			76	1,296				12,599	12,230
Travel and accommodations	5,226		1,225				1,764				8,215	11,282
Office and general	273	244	400		1,359	300	557	36	150	314	3,093	7,076
Insurance		130			2,093	459		245		216	3,175	5,154
Equipment lease	987				400	960	600			200	3,153	2,777
Welfare development	423	1,089	1,885		74	242	445	51			4,209	1,516
Interest and bank charges	2,591										2,591	2,758
Membership and licenses	240										240	800
	16,782	3,890	13,210		31,432	11,722	10,508	5,947	500	3,223	105,014	116,553
Program expenses (Schedule A)	122,426	59,659	25,117		150,834	56,405	72,085	29,714	0,300	31,077	324,778	302,675
Net operating expenses	142,308	68,549	36,327		152,016	68,215	82,676	35,701	7,000	40,000	632,792	620,028
Excess (deficiency) of revenues over expenses for the year	71,808	(11)						3,999			75,796	(66,977)
Net Assets (Liabilities) - Beginning of year	215,100	35,378		1,144	321	2,031	(757)	(10)			353,357	320,364
Net Assets (Liabilities) - end of year	286,908	35,367		1,444	521	2,031	(757)	3,969			329,183	253,387

