

VOLUNTEER MISSISSAUGA BRAMPTON CALEDON

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
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Management Responsibility Statement

The management of Volunteer Mississauga Brampton Caledon (“Volunteer MBC”) is responsible for preparing the financial statements and the notes to the financial statements.

Management prepares the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements are considered by management to present fairly the financial position and results of operations of Volunteer MBC.

The organization, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Dang & Associates CPA Professional Corporation, the organization's auditor. Their report outlines the scope of their examination and their opinion on the financial statements.



Independent Auditor's Report

To the Members of Volunteer Mississauga Brampton Caledon ("Volunteer MBC"):

We have audited the accompanying financial statements of Volunteer MBC, which comprise the statement of financial position as at December 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis For Qualified Opinion

In common with many not-for-profit organizations, Volunteer MBC derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenue was limited to the amounts recorded in the records of the Volunteer MBC. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, cash flow, current and net assets as at and for the year ended December 31, 2020 and December 31, 2019.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Volunteer MBC as at December 31, 2020 and December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kha D. Dang, CPA, CA, LPA

Mississauga, Ontario
May 18, 2021

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	2020	2019
ASSETS		
Current assets		
Cash	\$ 296,001	\$ 31,782
Short-term investments (Note 3)	222,717	222,876
Accounts receivable	6,975	9,502
HST and sundry receivables	13,308	14,285
Prepaid expenses	9,765	9,765
	548,766	288,210
Fixed assets		
Capital assets (Note 4)	-	1,136
	\$ 548,766	\$ 289,346
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 17,600	\$ 7,602
Deferred revenue (Note 5)	266,986	56,484
	284,586	64,086
Long-term debt (Note 9)	30,000	-
	314,586	64,086
Net assets		
Net assets	234,180	225,260
	\$ 548,766	\$ 289,346

The accompanying notes are an integral part of the financial statements

Approved by the board


 _____ Director
 James Waechter


 _____ Director
 Ting Guo

VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
Revenue (Note 6)		
Government – Federal	\$ 61,624	\$ 28,389
Government assistance – Federal (Note 5)	104,124	-
Government – Provincial	-	10,240
Government – Regional	166,115	153,139
Municipalities – Mississauga, Brampton and Caledon	68,812	78,900
Foundations: UW GT, OTF, other	98,535	116,980
Core programs, Learning Centre, memberships, Partnership Programs, tax rebates and miscellaneous (Note 3)	64,442	100,538
Fund Development (Core)	49,453	93,438
	613,105	581,624
Operating expenses (Note 6)		
Program expenses (Schedule A)	333,603	419,227
Salaries and benefits	97,701	97,317
Consulting	75,077	54,569
Rent	49,843	50,815
Information technology	15,737	17,547
Professional fees	14,032	9,807
Office and general	4,851	7,349
Travel and accommodations	4,082	1,214
Insurance	2,929	2,403
Equipment lease	2,504	1,946
Amortization	1,616	5,569
Interest and bank charges	871	982
Website development	601	1,022
Advertising and promotion	498	1,671
Memberships and licenses	240	190
Repairs and maintenance	-	187
	604,185	671,815
Excess of revenue over expenses (expenses over revenue) for the year	8,920	(90,191)
Net assets, beginning	225,260	315,451
Net assets, ending	\$ 234,180	\$ 225,260

The accompanying notes are an integral part of the financial statements

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
Cash flow from operating activities		
Excess of expenses over revenue	\$ 8,920	\$ (90,191)
Adjustments for:		
Amortization	1,616	5,569
	10,536	(84,622)
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	2,527	(5,728)
(Increase) decrease in HST and sundry receivables	977	(1,187)
(Decrease) increase in accounts payable and accrued liabilities	9,998	(9,245)
(Decrease) increase in deferred revenue	210,502	(26,439)
	234,540	(127,221)
Cash flow from investing activities		
Sale of short-term investments – net	159	23,960
Purchase of capital assets	(480)	(1,696)
	(321)	22,264
Cash flow from financing activities		
Financing from bank loan (Note 9)	30,000	-
Net (increase) decrease in cash held	264,219	(104,957)
Cash at the beginning of the period	31,782	136,739
Cash at the end of the period	\$ 296,001	\$ 31,782

The accompanying notes are an integral part of the financial statement

VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Purpose and legal form of the Organization

Volunteer Mississauga Brampton Caledon (“Volunteer MBC”) is a volunteer center 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 organizational 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, 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.

Volunteer MBC employs the following acronyms in these financial statements:

CFC	- Community Foundations of Canada
MCF	- Mississauga Community Foundation
MCI	- Ministry of Citizenship & Immigration
OTF	- Ontario Trillium Foundation
OVCN	- Ontario Volunteer Centre Network
UW GT	- United Way Greater Toronto

2. Significant accounting policies

Basis of presentation

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

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 and government assistance are recognized as revenue when received or receivable if the amount to be received can be 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.

Cash

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

VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

cash equivalents.

Capital assets

Capital assets are recorded at cost and amortized over their useful lives using the straight-line method at the following annual rates:

Leasehold improvements	-	10 years
Office equipment	-	3 years

Half-year amortization is provided in the year of acquisition.

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

When a tangible asset no longer has any long-term service potential for the organization, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 balance sheet date and the reported amounts of revenues and expenses during the reporting period. These estimates are audited periodically and, as adjustments become necessary, they are reported in the statement of operations and retained earnings for the year in which they become known.

Significant estimates were made in the areas of useful lives of capital assets, deferred revenue and allocation of program expenses.

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 program for Volunteer MBC was highly dependent upon the voluntary service of exceptional volunteers. During the year, 162 volunteers freely donated in excess of 8,045 hours of their time. While the financial value of these donated services has not been recognized in these statements, the socio-economic impact for Volunteer MBC is immense.

Financial instruments

Measurement

Volunteer MBC initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred. Volunteer MBC subsequently measures its financial assets and financial liabilities at amortized cost other than short term investments, which is measured at fair value. Changes in fair value are recognized in the statement of operations.

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Financial assets measured at amortized cost included cash, accounts receivable and HST and sundry receivable. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

3. Short-term investments

Investment income of \$7,900 (2019 - \$7,900), and an unrealized loss of \$159 (2019 - \$356) are included in core programs, learning center, memberships, tax rebates and miscellaneous.

Short-term investments consist of the following:

	2020	2019
Callable bond, 5%, maturing May 2025 measured at fair value	\$ 153,892	\$ 156,957
Mutual funds measured at fair value	68,825	65,919
	\$ 222,717	\$ 222,876

4. Capital assets

			2020	2019
	Cost	Accumulated Amortization	Net Carrying Value	Net Carrying Value
Leasehold improvements	\$ 59,446	(59,446)	-	-
Office equipment	22,720	(22,720)	-	1,136
	\$ 82,166	(82,166)	-	\$ 1,136

5. Deferred revenue

Volunteer MBC employs the deferred revenue method of recording restricted revenues, whereby the amount of revenue is recorded to match the amount of expenses in the period. Any remaining amounts are recorded on the balance sheet.

During the year, Volunteer MBC received Canada Emergency Wage Subsidies (CEWS) of \$86,279 (2019 - \$0) and Temporary Wage Subsidies (TWS) of \$7,845 (2019 - \$0). All amounts received were recognized as income.

During the year, Volunteer MBC obtained a Canada Emergency Business Account (CEBA) loan of \$40,000. \$10,000 of the loan was recognized as income. See Note 9 for additional information.

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Funder/Project	Balance, beginning of the year	Amount received in the year	Amount recognized as revenue in the year	Balance, end of the year
City of Brampton	\$ 17,118	\$ 35,700	\$ (25,812)	\$ 27,006
Core	816	45,356	(8,258)	37,914
Federal (CFC-IRP, emergency funding via CFC, UW)	-	177,427	(50,232)	127,195
Federal – Government Assistance	-	94,124	(94,124)	-
MCF	5,150	-	(5,150)	-
New Horizon	-	24,000	(7,663)	16,337
OTF	30,000	36,700	(10,565)	56,135
OVCN	3,400	-	(1,001)	2,399
	\$ 56,484	\$ 413,307	\$ (202,805)	\$ 266,986

6. Administrative fees

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

	2020	2019
Revenue	\$ 1,001	\$ 32,520
Expenses	1,001	32,520
Excess of revenue over expenses	\$ -	-

7. Lease commitments

Volunteer MBC is committed to minimum annual payments on operating leases as follows:

	Total	Premises	Equipment
2021	\$ 26,575	\$ 24,237	\$ 2,338

8. Financial instruments

The company is exposed to various risks through its financial instruments. The following analysis provides a measure of the company's risk exposure and concentrations at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its obligations under capital leases and accounts payable.

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. The company is mainly exposed to currency risk and interest rate risk

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
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FOR THE YEAR ENDED DECEMBER 31, 2020**

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. Volunteer MBC is exposed to other price risk in respect of its short-term investments.

9. Long-term debt

During the year, the organization was provided a Canada Emergency Business Account (CEBA) loan of \$40,000 from the Scotiabank with a \$40,000 balance as at December 31, 2020. The loan is interest free to December 31, 2022. If the loan is paid back by December 31, 2022, \$10,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2022, the full \$40,000 loan will be converted to loan payable, maturing on December 31, 2025, with a 5 percent annual interest rate.

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE A

	2020	2019
Community engagement	\$ 52	\$ 52
Fund development	2,056	15,478
Honorariums	5,700	1,625
Learning Centre	283	3,377
Materials	601	317
Project management	2,600	2,497
Salaries and benefits	301,311	385,823
Special events	21,000	8,707
Venue rental costs	-	290
Volunteer recognition	-	1,061
	\$ 333,603	\$ 419,227

VOLUNTEER MISSISSAUGA BRAMPTON CALEDON
STATEMENT OF OPERATIONS BY PROGRAM & CHANGES IN NET ASSETS
For the year ended December 31, 2020

SCHEDULE B

	Core	Federal	Foundations	Region of Peel	Trilium	United Way GTA	MCI	City of Brampton	Town of Caledon	City of Mississauga	2020 Total	2019 Total
Revenue												
Government - Federal	\$ 10,000	\$ 155,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,748	\$ 28,389
Government - Provincial	-	-	-	-	-	-	-	-	-	-	-	10,240
Government - Regional	-	-	-	166,115	-	-	-	-	-	-	166,115	153,139
Municipalities - Mississauga, Brampton & Caledon	-	-	-	-	-	-	-	25,812	4,800	38,200	68,812	78,900
Foundations: United Way GT, OTF and other	-	-	5,150	-	10,565	82,820	-	-	-	-	98,535	116,980
Core programs, Learning Centre, memberships, tax rebates and misc.	51,729	-	-	-	-	-	-	-	-	-	51,729	100,538
Partnership Programs	12,713	-	-	-	-	-	-	-	-	-	12,713	-
Fund development	49,453	-	-	-	-	-	-	-	-	-	49,453	93,438
	123,895	155,748	5,150	166,115	10,565	82,820	-	25,812	4,800	38,200	613,105	581,624
Expenses												
Administrative and management												
Salaries and benefits	11,610	44,024	829	15,649	1,892	13,976	-	3,475	730	5,516	97,701	97,317
Rent	7,383	-	-	5,239	-	1,613	-	1,149	-	1,065	16,449	16,938
Office and general	734	83	129	1,808	-	629	-	1,220	-	248	4,851	7,349
Insurance	395	-	-	1,542	-	600	-	-	-	392	2,929	2,403
Amortization	1,616	-	-	-	-	-	-	-	-	-	1,616	5,569
Interest and bank charges	871	-	-	-	-	-	-	-	-	-	871	982
Equipment lease	-	-	-	214	-	198	-	149	83	183	827	648
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	187
	22,609	44,107	958	24,452	1,892	17,016	-	5,993	813	7,404	125,244	131,393
Program												
Salaries and benefits	49,413	75,141	3,316	64,094	7,566	60,236	-	13,902	3,120	24,523	301,311	385,823
Consulting	8,394	12,058	-	54,625	-	-	-	-	-	-	75,077	54,569
Rent	14,989	-	-	10,636	-	3,275	-	2,332	-	2,162	33,394	33,877
Program expenses	6,378	23,225	-	337	500	1,252	-	-	-	600	32,292	33,404
Information technology	7,952	484	827	3,892	85	412	-	1,538	200	347	15,737	17,547
Professional fees	4,114	-	-	4,500	410	-	-	1,715	500	2,793	14,032	9,807
Travel and accommodations	549	557	-	2,963	-	13	-	-	-	-	4,082	1,214
Equipment lease	1	-	-	434	-	402	-	302	167	371	1,677	1,298
Website development	336	176	-	15	-	44	-	30	-	-	601	1,022
Advertising and promotion	-	-	49	167	112	170	-	-	-	-	498	1,671
Memberships and licenses	240	-	-	-	-	-	-	-	-	-	240	190
	92,366	111,641	4,192	141,663	8,673	65,804	-	19,819	3,987	30,796	478,941	540,422
	114,975	155,748	5,150	166,115	10,565	82,820	-	25,812	4,800	38,200	604,185	671,815
Net revenue over expenses (expenses over revenue) for the year	8,920	-	-	-	-	-	-	-	-	-	8,920	(90,191)
Net assets, beginning of year	224,907	(108)	-	697	521	30	(757)	(30)	-	-	225,260	315,451
Net assets, end of year	\$ 233,827	\$ (108)	\$ -	\$ 697	\$ 521	\$ 30	\$ (757)	\$ (30)	\$ -	\$ -	\$ 234,180	\$ 225,260