

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**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, 2019, 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, 2019 and December 31, 2018.

#### *Other Matter*

The financial statements of Volunteer MBC for the year ended December 31, 2018 were audited by another auditor who expressed a qualified opinion due to the inability to verify the completeness of revenue from donations. The date of the audit report was May 6, 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, 2019 and December 31, 2018, and the results of its operations and its 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  
June 19, 2020

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 31,782	\$ 136,739
Short-term investments (Note 3)	222,876	246,836
Accounts receivable	9,502	3,774
HST and sundry receivables	14,285	13,098
Prepaid expenses	9,765	9,765
	288,210	410,212
<b>Fixed assets</b>		
Capital assets (Note 4)	1,136	5,009
	\$ 289,346	\$ 415,221
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,602	\$ 16,847
Deferred revenue (Note 5)	56,484	82,923
	64,086	99,770
<b>Net assets</b>		
Net assets	225,260	315,451
	\$ 289,346	\$ 415,221

The accompanying notes are an integral part of the financial statements  
Approved by the board

 Director

 Director

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON**  
**STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
<b>Revenue (Note 6)</b>		
Government – Federal	\$ 28,389	\$ 14,415
Government – Provincial	10,240	114,636
Government – Regional (Sustainability/Organizational Effectiveness/Internship)	153,139	104,889
Municipalities – Mississauga, Brampton and Caledon	78,900	67,953
Foundations, United Way OTF & other	116,980	168,639
Core programs, Learning Centre, memberships, tax rebates and miscellaneous (Note 3)	100,538	110,772
Fund Development (CORE)	93,438	102,824
	581,624	684,128
<b>Operating expenses (Note 6)</b>		
Program expenses (Schedule A)	419,227	455,594
Salaries and benefits	97,317	92,542
Consulting	54,569	23,700
Rent	50,815	49,549
Information technology	17,547	16,153
Professional fees	9,807	7,631
Office and general	7,349	10,322
Amortization	5,569	9,995
Insurance	2,403	2,654
Equipment lease	1,946	2,994
Advertising and promotion	1,671	10,817
Travel and accommodations	1,214	2,781
Website development	1,022	2,357
Interest and bank charges	982	746
Memberships and licenses	190	240
Repairs and maintenance	187	94
	671,815	688,169
<b>Excess of expenses over revenue for the year</b>	<b>(90,191)</b>	<b>(4,041)</b>
Net assets, beginning	315,451	319,492
<b>Net assets, ending</b>	<b>\$ 225,260</b>	<b>\$ 315,451</b>

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, 2019**

	2019	2018
<b>Cash flow from operating activities</b>		
Excess of expenses over revenue	\$ (90,191)	\$ (4,041)
Adjustments for:		
Amortization	5,569	9,995
	(84,622)	5,954
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(5,728)	10,015
(Increase) decrease in HST and sundry receivables	(1,187)	2,546
(Decrease) increase in accounts payable and accrued liabilities	(9,245)	(25,753)
(Decrease) increase in deferred revenue	(26,439)	(144,601)
	(127,221)	(151,839)
<b>Cash flow from investing activities</b>		
Sale (purchase) of short-term investments – net	23,960	(52,137)
Purchase of capital assets	(1,696)	-
	22,264	(52,137)
<b>Net decrease in cash during the year</b>	(104,957)	(203,976)
<b>Cash at the beginning of the period</b>	136,739	340,715
<b>Cash at the end of the period</b>	\$ 31,782	\$ 136,739

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, 2019**

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**1. Purpose and legal form of the Organization**

Volunteer Mississauga Brampton Caledon (“Volunteer MBC”) is a volunteer center, whose mission is to promote meaningful volunteerism and foster best practices through learning and development; through a united community of volunteers that ensures a safe and healthy environment where people truly care for each other. The mandate of Volunteer MBC is to foster and develop volunteerism in the Region of Peel, serving the cities of Mississauga, Brampton and Caledon.

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:

MCI – CTW	- Ministry of Citizenship & Immigration – ChangeTheWorld
OVCN	- Ontario Volunteer Center Network
OTF – Seed Grant	- Ontario Trillium Foundation – Seed Grant
MCF	- Mississauga Community Foundation
MCI	- Ministry of Citizenship & Immigration
VLPN	- Volunteer Leaders in Peel Network

**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 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 cash equivalents.

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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*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, 344 volunteers freely donated in excess of 9,800 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.

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

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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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 (2018 - \$11,385), and an unrealized loss of \$356 (2018 - \$15,387) are included in core programs, learning center, memberships, tax rebates and miscellaneous.

Short-term investments consist of the following:

		2019		2018
Callable bond, 5%, maturing May 2025 measured at fair value	\$	156,957	\$	146,450
Mutual funds measured at fair value		65,919		100,386
	\$	222,876	\$	246,836

**4. Capital assets**

			2019		2018
	Cost	Accumulated Amortization	Net Carrying Value	Net Carrying Value	
Leasehold improvements	\$ 59,446	(59,446)	-	\$ 4,031	
Office equipment	22,720	(21,584)	1,136	978	
	\$ 82,166	(81,030)	1,136	\$ 5,009	

**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.

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Funder/Project</b>	<b>Balance, beginning of the year</b>	<b>Amount received in the year</b>	<b>Amount recognized as revenue in the year</b>	<b>Balance, end of the year</b>
City of Brampton	\$ 17,118	\$ 35,700	\$ (35,700)	\$ 17,118
Core	1,836	-	(1,020)	816
MCF	13,081	12,000	(19,931)	5,150
MCI – CTW	10,240	-	(10,240)	-
New Horizons	16,011	-	(16,011)	-
OTF – Seed Grant	-	40,500	(10,500)	30,000
OVCN	23,201	12,719	(32,520)	3,400
VLPN	1,436	-	(1,436)	-
	\$ 82,923	\$ 100,919	\$ (127,358)	\$ 56,484

**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:

	<b>2019</b>	<b>2018</b>
Revenue	\$ 32,520	\$ 127,037
Expenses	32,520	127,037
Excess of revenue over expenses	\$ -	\$ -

**7. Lease commitments**

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

	<b>Total</b>	<b>Premises</b>	<b>Equipment</b>
2020	\$ 23,725	\$ 29,189	\$ 1,438

**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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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*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. Comparative figures**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

**VOLUNTEER MISSISSAUGA BRAMPTON CALEDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**SCHEDULE A**

	<b>2019</b>	<b>2018</b>
Community engagement	\$ 52	\$ 156
Fund development	15,478	14,228
Honorariums	1,625	2,975
Learning Centre	3,377	11,745
Materials	317	520
Project management	2,497	17,935
Salaries and benefits	385,823	395,425
Special events	8,707	8,595
Training and conferences	-	1,060
Venue rental costs	290	727
Volunteer recognition	1,061	2,228
	<b>\$ 419,227</b>	<b>\$ 455,594</b>

## VOLUNTEER MISSISSAUGA BRAMPTON CALEDON

SCHEDULE B

## STATEMENT OF OPERATIONS BY PROGRAM &amp; CHANGES IN NET ASSETS

For the year ended December 31, 2019

	Core	Federal	Foundations	Region of Peel	Trilium	United Way GTA	MCI	City of Brampton	Town of Caledon	City of Mississauga	2019 Total	2018 Total
<b>Revenue</b>												
Government - Federal	\$ -	\$ 28,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,389	\$ 14,415
Government - Provincial	-	-	-	-	-	-	10,240	-	-	-	10,240	114,636
Government - Regional (Sustainability/OE/Internship Incentive)	-	-	-	153,139	-	-	-	-	-	-	153,139	104,889
Municipalities - Mississauga, Brampton & Caledon	-	-	-	-	-	-	-	35,700	5,000	38,200	78,900	67,953
Foundations, United Way, OTF & other	-	-	19,931	-	10,500	86,549	-	-	-	-	116,980	168,639
Core programs, Learning Centre, memberships, tax rebates and misc.	100,538	-	-	-	-	-	-	-	-	-	100,538	110,772
Fund development	93,438	-	-	-	-	-	-	-	-	-	93,438	102,824
	193,976	28,389	19,931	153,139	10,500	86,549	10,240	35,700	5,000	38,200	581,624	684,128
<b>Expenses</b>												
<b>Administrative and management</b>												
Salaries and benefits	38,834	3,942	2,238	19,673	1,721	18,140	1,393	4,305	645	6,426	97,317	92,542
Rent	10,049	325	-	3,333	217	743	137	933	-	1,200	16,938	16,516
Office and general	148	542	1,892	322	1,273	303	45	661	775	1,388	7,349	10,322
Amortization	5,569	-	-	-	-	-	-	-	-	-	5,569	9,995
Insurance	1,703	-	-	-	500	200	-	-	-	-	2,403	2,654
Interest and bank charges	982	-	-	-	-	-	-	-	-	-	982	746
Equipment lease	265	67	-	-	-	133	-	100	33	50	649	998
Repairs and maintenance	187	-	-	-	-	-	-	-	-	-	187	94
	57,737	4,876	4,130	23,328	3,711	19,519	1,575	5,999	1,453	9,064	131,394	133,867
<b>Program</b>												
Salaries and benefits	166,212	19,951	14,599	67,464	5,679	59,888	4,483	21,887	2,280	23,380	385,823	395,425
Consulting	-	-	-	54,569	-	-	-	-	-	-	54,569	23,700
Rent	20,099	650	-	6,666	435	1,487	274	1,867	-	2,400	33,877	33,033
Program expenses	24,329	2,533	774	-	-	3,888	1,580	300	-	-	33,404	60,169
Information technology	9,541	140	320	300	-	743	1,556	1,818	225	2,904	17,547	16,153
Professional fees	5,267	-	-	-	675	-	338	3,527	-	-	9,807	7,631
Advertising and promotion	-	200	-	812	-	200	200	-	-	259	1,671	10,817
Equipment lease	531	133	-	-	-	267	-	200	67	100	1,298	1,996
Travel and accommodations	-	46	14	-	-	512	145	102	370	25	1,214	2,781
Website development	121	-	94	-	-	45	89	-	605	68	1,022	2,357
Memberships and licenses	190	-	-	-	-	-	-	-	-	-	190	240
	226,290	23,653	15,801	129,811	6,789	67,030	8,665	29,701	3,547	29,136	540,422	554,302
	284,027	28,529	19,931	153,139	10,500	86,549	10,240	35,700	5,000	38,200	671,815	688,169
<b>Net expenses over revenue for the year</b>	(90,051)	(140)	-	-	-	-	-	-	-	-	(90,191)	(4,041)
<b>Net assets (liabilities), beginning of year</b>	314,958	32	-	697	521	30	(757)	(30)	-	-	315,451	319,492
<b>Net assets (liabilities), end of year</b>	\$ 224,907	\$ (108)	\$ -	\$ 697	\$ 521	\$ 30	\$ (757)	\$ (30)	\$ -	\$ -	\$ 225,260	\$ 315,451