

SIMCOE COUNTY YOUTHREACH

Financial Statements

Year Ended August 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Simcoe County YouthReach

Qualified Opinion

We have audited the financial statements of Simcoe County YouthReach (the organization), which comprise the statement of financial position as at August 31, 2022, and the statements of receipts and disbursements, 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 accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2022, 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 (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2022, current assets as at August 31, 2022, and net assets as at September 1, 2021 and August 31, 2022.

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 organization in accordance with 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 audit opinion.

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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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RSM Canada Alliance



Independent Auditor's Report To the Members of Simcoe County YouthReach (*continued*)

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 organization'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 organization'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 organization 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.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

Barrie, Ontario
January 3, 2023

SIMCOE COUNTY YOUTHREACH
Statement of Financial Position
August 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 241,677	\$ 73,724
Term deposits	1,000	1,202
Accounts receivable	12,000	-
Harmonized sales tax recoverable	9,042	3,083
Prepaid expenses	1,258	5,809
	<u>\$ 264,977</u>	<u>\$ 83,818</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 10,955	\$ 13,636
Deferred grant (Note 3)	22,223	-
	<u>33,178</u>	<u>13,636</u>
NET ASSETS	<u>231,799</u>	<u>70,182</u>
	<u>\$ 264,977</u>	<u>\$ 83,818</u>

ON BEHALF OF THE BOARD



Director



Director

SIMCOE COUNTY YOUTHREACH
Statement of Receipts and Disbursements
Year Ended August 31, 2022

	2022	2021
REVENUES		
Fundraising revenue	\$ 230,858	\$ -
Donations	52,478	35,786
Grants - County of Simcoe (<i>Note 4</i>)	21,111	12,677
Interest income	-	372
	<u>304,447</u>	<u>48,835</u>
EXPENSES		
Management and administrative fees	57,955	54,739
Fundraising expenses	33,395	1,076
Program recipient grants	30,536	15,904
Professional fees	7,399	3,700
Office	4,894	1,938
Advertising and promotion	4,228	1,229
Insurance	2,690	2,278
Website costs	959	836
Telephone	560	565
Interest and bank charges	214	25
	<u>142,830</u>	<u>82,290</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 161,617</u>	<u>\$ (33,455)</u>

SIMCOE COUNTY YOUTHREACH
Statement of Changes in Net Assets
Year Ended August 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 70,182	\$ 103,637
EXCESS OF REVENUES OVER EXPENSES	161,617	(33,455)
NET ASSETS - END OF YEAR	\$ 231,799	\$ 70,182

SIMCOE COUNTY YOUTHREACH
Statement of Cash Flows
Year Ended August 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 161,617	\$ (33,455)
Changes in non-cash working capital:		
Accounts receivable	(12,000)	-
Accounts payable and accrued liabilities	(2,681)	1,966
Deferred grant	22,223	(12,029)
Prepaid expenses	4,551	(4,748)
Harmonized sales tax payable	(5,959)	(244)
	6,134	(15,055)
INCREASE (DECREASE) IN CASH FLOW	167,751	(48,510)
Cash - beginning of year	74,926	123,436
CASH - END OF YEAR	\$ 242,677	\$ 74,926
CASH CONSISTS OF:		
Cash	\$ 241,677	\$ 73,724
Term deposits	1,000	1,202
	\$ 242,677	\$ 74,926

SIMCOE COUNTY YOUTHREACH

Notes to Financial Statements

Year Ended August 31, 2022

1. PURPOSE OF THE ORGANIZATION

Simcoe County YouthReach (the "organization") is a not-for-profit organization incorporated Federally under the Canada Not-for-profit Corporations Act. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization operates within Simcoe County supporting youth and families who might not otherwise participate in recreational activities. It administers funding to assist financially challenged families and youth trying to access recreational and social programs. It engages committed volunteers, community organizations, municipalities and young people to promote opportunity to our youth..

The uncertainties around the outbreak of the COVID-19 pandemic required the use of significant judgment and estimates. As at August 31, 2022, the Organization has not noted any significant impairment as a result of COVID-19. As an emerging risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Organization's financial condition, operations and financial results are subject to significant uncertainty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and short term investments

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Revenue recognition

Simcoe County YouthReach 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. Endowment contributions are recognized as direct increases in net assets.

Fundraising revenue is recorded as income at the time the fundraising event is held and there is reasonable assurance that the funds will be received.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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SIMCOE COUNTY YOUTHREACH

Notes to Financial Statements

Year Ended August 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Harmonized sales tax

Contributed materials and services are recoverable at 50% of the federal part of the HST as a rebate. Contributed materials and services are recoverable at 82% of the provincial part of the HST as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. DEFERRED GRANT

Deferred grant relates to funds received in the current fiscal year for programs running subsequent to year end and will be recognized into revenue in the subsequent fiscal year.

	2022	2021
County of Simcoe	\$ 22,223	\$ -
The reconciliation of deferred grant is shown below:		
Balance, beginning of year	\$ -	\$ 12,029
Add: grants received	43,334	648
Less: grants recognized as revenue in the year	(21,111)	(12,677)
	\$ 22,223	\$ -

4. GRANTS

	2022	2021
County of Simcoe	\$ 21,111	\$ 12,677

The County of Simcoe approved funding of \$65,000 to be paid over 12 months. The funding is to support the provision of better opportunities for low income families by addressing poverty and/or reducing the effects of child poverty, collaborating service delivery approaches with community partners, and building on the foundation of delivering effective and efficient services tailored to provide direct services for children and families living in poverty.

SIMCOE COUNTY YOUTHREACH

Notes to Financial Statements

Year Ended August 31, 2022

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

6. SUBSEQUENT EVENTS

Subsequent to year end, the organization purchased the following guaranteed investment certificates:

RBC Non-redeemable GIC, 3.6%, due December 6, 2022	\$	50,000
RBC Non-redeemable GIC, 3.8%, due March 6, 2023	\$	50,000
RBC Non-redeemable GIC, 4.3%, due September 7, 2023	\$	50,000