THE DAM - DEVELOP ASSIST MENTOR

Financial Statements

Year Ended March 31, 2023

THE DAM - DEVELOP ASSIST MENTOR
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Year Ended March 31, 2023

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PROFESSIONAL CORPORATION
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of The Dam - Develop Assist Mentor

Qualified Opinion

I have audited the financial statements of The Dam - Develop Assist Mentor (the organization), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in fund balances, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, 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, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended March 31, 2023, current assets and net assets as at March 31, 2023. My audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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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Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

WJ Professional Corporation

Mississauga, Ontario
July 31, 2023

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

THE DAM - DEVELOP ASSIST MENTOR

Statement of Financial Position

March 31, 2023

	General	Equipment	Reserve	**Total 2023**	Total 2022
ASSETS					
CURRENT					
Cash	$ 39,866	$ -	$ 100,000	**$ 139,866**	$ 291,906
Accounts receivable	36,920	-	-	**36,920**	12,880
Sales tax recoverable	11,085	-	-	**11,085**	10,973
Prepaid expenses	10,673	-	-	**10,673**	7,816
	98,544	-	100,000	**198,544**	323,575
CAPITAL ASSETS *(Note 3)*	-	67,442	-	**67,442**	79,955
	$ 98,544	$ 67,442	$ 100,000	**$ 265,986**	$ 403,530
LIABILITIES					
CURRENT					
Accounts payable	$ 10,636	$ -	$ -	**$ 10,636**	$ 8,467
Deferred revenue *(Note 4)*	89,840	-	-	**89,840**	107,758
	100,476	-	-	**100,476**	116,225
FUND BALANCES	(1,932)	67,442	100,000	**165,510**	287,305
	$ 98,544	$ 67,442	$ 100,000	**$ 265,986**	$ 403,530

ON BEHALF OF THE BOARD

_______________ *Director*

_______________ *Director*

THE DAM - DEVELOP ASSIST MENTOR

Statement of Changes in Fund Balances

Year Ended March 31, 2023

	General	Equipment	Reserve	**Total 2023**	Total 2022
FUND BALANCES - BEGINNING OF YEAR	$ 7,350	$ 79,955	$ 200,000	**$ 287,305**	$ 371,341
Excess (deficiency) of revenues over expenditures	(107,347)	(16,763)	2,315	**(121,795)**	(84,036)
Addition to capital assets	(11,067)	11,067	-	**-**	-
Transfers	109,132	(6,817)	(102,315)	**-**	-
FUND BALANCES - END OF YEAR	$ (1,932)	$ 67,442	$ 100,000	**$ 165,510**	$ 287,305

See notes to financial statements

THE DAM - DEVELOP ASSIST MENTOR
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	General	Equipment	Reserve	**Total 2023**	Total 2022
REVENUES					
Donations and funding	$ 436,900	$ -	$ -	**$ 436,900**	$ 443,805
Region of Peel funding	162,340	6,818	-	**169,158**	132,491
Ministry of Children, Community and Social Service	80,500	-	-	**80,500**	80,500
Ontario Trillium Foundation	72,000	-	-	**72,000**	-
FaithWork funding	70,000	-	-	**70,000**	80,000
Other revenues and grants	45,329	-	-	**45,329**	38,964
The City of Mississauga	40,000	-	-	**40,000**	10,000
United Way of Peel Region	36,819	-	-	**36,819**	37,270
Donation-in-kind	13,433	-	-	**13,433**	13,946
Interest	-	-	2,315	**2,315**	94
Department of Canadian Heritage	-	-	-	**-**	57,600
	957,321	6,818	2,315	**966,454**	894,670
EXPENDITURES					
Salaries and wages	727,310	-	-	**727,310**	658,369
Programme	113,213	-	-	**113,213**	74,290
Occupancy	102,420	-	-	**102,420**	102,284
Ministry of Children, Community and Social Services *(Note 5)*	80,500	-	-	**80,500**	80,500
Amortization	-	23,581	-	**23,581**	21,826
Accounting	16,007	-	-	**16,007**	15,383
Training and development	8,597	-	-	**8,597**	3,520
Insurance	7,598	-	-	**7,598**	7,075
Interest and bank charges	4,370	-	-	**4,370**	3,634
Fundraising	2,868	-	-	**2,868**	9,341
Administrative and advertising	1,785	-	-	**1,785**	2,484
	1,064,668	23,581	-	**1,088,249**	978,706
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (107,347)	$ (16,763)	$ 2,315	**$ (121,795)**	$ (84,036)

See notes to financial statements

THE DAM - DEVELOP ASSIST MENTOR

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	$ (121,795)	$ (84,036)
Item not affecting cash:		
Amortization of capital assets	23,581	21,826
	(98,214)	(62,210)
Changes in non-cash working capital:		
Accounts receivable	(24,040)	(5,480)
Accounts payable	2,168	(15,601)
Deferred revenue	(17,918)	43,758
Prepaid expenses	(2,857)	4,483
Sales tax recoverable	(112)	5,116
	(42,759)	32,276
Cash flow used by operating activities	(140,973)	(29,934)
INVESTING ACTIVITY		
Purchase of capital assets	(11,067)	(6,479)
Cash flow used by investing activity	(11,067)	(6,479)
DECREASE IN CASH FLOW	(152,040)	(36,413)
Cash - beginning of year	291,906	328,319
CASH - END OF YEAR	$ 139,866	$ 291,906

See notes to financial statements

1. PURPOSE OF THE ORGANIZATION

The Dam - Develop Assist Mentor (the "organization") is a not-for-profit organization incorporated provincially under the laws of Ontario on March 9, 1995. 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 partners with youth to create inclusive community where all are welcomed, valued and respected with a vision where youth are empowered to discover their worth, enabling them to grow and thrive in their communities. The organization serves all youth (not just homeless prevention) providing a relational, mentoring presence in their lives. Through these relationships they Develop, Assist and Mentor youth along the journey towards reaching their full potential within their communities. This is accomplished through core programs including drop-ins, dinner programs, volunteering, art programs, affinity groups, discussion forums, mentoring, leadership programs and special events. The organization reaches out into the local communities they serve to create awareness, educate and build a stronger social fabric.

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 (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

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 expenditures 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.

Fund accounting

The Dam - Develop Assist Mentor follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Equipment Fund reports the assets, liabilities, revenues and expenditures related to The Dam - Develop Assist Mentor's capital assets campaign.

The Reserve Fund reports the assets, liabilities, revenues and expenditures related to funds that have been set aside by the board for unexpected expenditures.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Program equipment	5 years	straight-line method
Leasehold improvements	5 years	straight-line method

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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.

Donation-in-kind

The organization receives contributed materials, their fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair value can be determined.

Government grants

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

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.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	**2023 Net book value**	2022 Net book value
Computer equipment	$ 19,898	$ 13,458	**$ 6,440**	$ -
Program equipment	16,657	16,657	**-**	-
Leasehold improvements	138,862	77,860	**61,002**	79,955
	$ 175,417	$ 107,975	**$ 67,442**	$ 79,955

4. DEFERRED REVENUE

Deferred revenue represents the unamortized amount of contributions and grants received for specific programming within the organization. Changes in the deferred balance during the year are as follows:

	2023	2022
Balance - beginning of year	$ 107,758	$ 64,000
Add: amounts received during the year	144,680	223,279
Less: amounts recognized as revenue	(162,598)	(179,521)
Balance at the year end	$ 89,840	$ 107,758

5. MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

	2023	2022
Staff salary and benefits	$ 52,125	$ 51,600
Purchased client services	26,023	26,023
Mentoring	2,352	2,877
	$ 80,500	$ 80,500

6. LEASE COMMITMENTS

The organization has long term leases with respect to its premises. Future minimum lease payments as at March 31, 2023, are as follows:

2024	$ 80,667
2025	41,509
2026	41,509
2027	31,132
	$ 194,817

7. 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 March 31, 2023.

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 accounts payable.

Unless otherwise noted, it is management’s opinion that the organization is not exposed to significant market risk, currency risk, interest rate risk or other price risks arising from these financial instruments.