

**BEAVER VALLEY OUTREACH**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**BEAVER VALLEY OUTREACH**  
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**DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Beaver Valley Outreach**:

### **Qualified Opinion**

We have audited the financial statements of **Beaver Valley Outreach** (the Organization), which comprise the statement of financial position as at December 31, 2022 and the statements of operations and 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 December 31, 2022, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

**Beaver Valley Outreach** derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Consequently, we were not able to determine whether any adjustments might be necessary to fundraising revenue in excess of revenues over expenses, and cash flows from operations December 31, 2022 and December 31, 2021 and current assets and net asset balances as at December 31, 2022 and December 31, 2021. Our audit opinion for both years was modified accordingly because of the possible effect of this scope limitation.

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 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 for the year ended December 31, 2021 were reviewed by another accountant who expressed a qualified conclusion on those financial statements on March 28, 2022 for reasons described in the Basis for Qualified Opinion section.

### **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 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.

### **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.

*Baker Tilly S&B LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Owen Sound, Ontario  
March 30, 2023

**BEAVER VALLEY OUTREACH**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31**

	2022 \$	2021 \$ (Unaudited)
<b>Assets</b>		
Current		
Cash	155,143	209,622
Short term investments (Note 2)	680,671	334,048
Accounts receivable	33,806	120,361
HST rebate receivable	4,857	3,081
Prepaid expenses	528	1,011
	875,005	668,123
Property and equipment (Note 4)	1,746,965	1,791,443
	2,621,970	2,459,566
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	82,246	72,956
Government remittances payable	17,549	15,412
Deferred revenue (Note 5)	9,023	6,520
	108,818	94,888
Deferred contributions related to capital assets (Note 6)	1,500	2,100
	110,318	96,988
<b>Net assets</b>		
Operating fund	84,016	237,087
Capital asset fund	1,746,965	1,791,443
Sustainability fund	374,398	225,000
Property fund	306,273	109,048
	2,511,652	2,362,578
	2,621,970	2,459,566

Approved on behalf of the board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**BEAVER VALLEY OUTREACH**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31**

	Operating Fund \$	Capital Asset Fund \$	Sustainability Fund \$	Property Fund \$	2022 \$	2021 \$ (Unaudited)
<b>Fund balance at beginning of year</b>	237,087	1,791,443	225,000	109,048	2,362,578	2,185,420
Excess of revenue over expenditures	204,871	(64,070)	6,042	2,231	149,074	177,158
Interfund transfers (Note 3)	(357,942)	19,592	143,356	194,994	-	-
<b>Fund balance at end of year</b>	<b>84,016</b>	<b>1,746,965</b>	<b>374,398</b>	<b>306,273</b>	<b>2,511,652</b>	<b>2,362,578</b>

See accompanying notes to financial statements

**BEAVER VALLEY OUTREACH**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31**

	2022 \$	2021 \$ (Unaudited)
<b>Revenue</b>		
Program (Schedule 1)	395,223	397,257
Preschool (Schedule 2)	383,710	494,177
Treasure Shop	507,462	209,739
Grant and other income	1,893	1,663
	<b>1,288,288</b>	<b>1,102,836</b>
<b>Expenditures</b>		
Administration	3,000	3,000
Amortization	64,070	68,952
Bank interest and charges	2,818	2,956
Communications	18,626	17,611
Health and safety	5,046	3,574
Insurance	6,605	6,080
Interest on long-term debt	-	2,316
Professional development	408	308
Professional services	17,632	13,937
Repairs and maintenance	17,162	32,447
Supplies	10,683	10,735
Technical equipment and maintenance	11,112	6,642
Telephone	2,871	3,356
Treasure shop	122,902	101,864
Utilities	5,508	5,208
Volunteer	1,479	929
Program (Schedule 1)	438,208	395,415
Preschool (Schedule 2)	430,272	421,447
	<b>1,158,402</b>	<b>1,096,777</b>
<b>Excess of revenue over expenditures before other income</b>	<b>129,886</b>	<b>6,059</b>
<b>Other income</b>		
Deferred capital contributions	600	600
Government subsidies (Note 7)	10,315	167,905
Interest income	8,273	2,594
	<b>19,188</b>	<b>171,099</b>
<b>Excess of revenue over expenditures</b>	<b>149,074</b>	<b>177,158</b>

See accompanying notes to the financial statements

**BEAVER VALLEY OUTREACH**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31**

	2022 \$	2021 \$ (Unaudited)
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures	149,074	177,158
Items not involving cash		
Amortization	64,070	68,952
	<u>213,144</u>	<u>246,110</u>
Change in		
Accounts receivable	86,555	(87,679)
HST rebate receivable	(1,776)	574
Prepaid expenses	483	(1,011)
Accounts payable and accrued liabilities	9,290	2,762
Government remittances payable/receivable	2,137	2,150
Deferred revenue	2,503	(808)
	<u>312,336</u>	<u>162,098</u>
<b>Financing activities</b>		
Repayment of long-term debt	-	(78,271)
<b>Investing activities</b>		
Purchase of property and equipment	(19,592)	-
Purchase of investments	(346,623)	(2,594)
Deferred contributions related to property and equipment	(600)	(600)
	<u>(366,815)</u>	<u>(3,194)</u>
<b>Change in cash</b>	<b>(54,479)</b>	<b>80,633</b>
Cash at beginning of year	<u>209,622</u>	<u>128,989</u>
<b>Cash at end of year</b>	<b><u>155,143</u></b>	<b><u>209,622</u></b>

See accompanying notes to the financial statements



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**BEAVER VALLEY OUTREACH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**

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**Purpose of the organization**

Beaver Valley Outreach (the Organization) is a not-for-profit organization incorporated without share capital under the laws of Ontario. The organization is a registered charity and is exempt from income tax and may issue income tax receipts to donors.

The Organization is a community-based organization of staff and volunteers that provides quality programs and services to enhance the social, economic and environmental well-being of people in its community.

**1. Summary of significant accounting policies**

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements:

**(a) Basis of accounting**

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**(b) Fund accounting**

The Organization follows the deferral method of accounting for contributions and uses fund accounting. They have four funds, the Operating Fund, Capital Asset Fund, Sustainability Fund and the Property Fund.

The Operating Fund reports resources available for the Organization's program delivery. This fund reports unrestricted resources.

The Capital Asset Fund reports those long-term assets used in operations net of related liabilities.

The Sustainability Fund was created for the investment in longer term GICs for unexpected situations requiring funding that cannot be handled through normal operation revenues.

The Property Fund was created to fund future expansion and/or renovations and capital repairs to the organization's buildings.

**(c) Revenue recognition**

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributions restricted for the purchase of property and equipment are deferred and amortized into revenue on the same basis and at rates corresponding to those of the related property and equipment.

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.

Revenue from Treasure Shop is recognized when the significant risks and rewards of ownership are transferred to the customer, which generally coincides with the time of purchase at the store. Revenue is recorded net of allowable discounts and rebates.

Revenue from program fees and preschool are recognized at the time the service is delivered.

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**BEAVER VALLEY OUTREACH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**

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**1. Summary of significant accounting policies (continued)**

**(d) Property and equipment**

Property and equipment are stated at cost. Provision is made for amortization under the declining balance and straight line method using the following annual rates:

Building	4% declining balance
Computers	55% declining balance
Equipment	20% declining balance
Signage	20% declining balance
Leasehold improvements	5 years straight-line

**(e) Contributed services and materials**

Due to the difficulty in determining the fair value of materials contributed to the organization they are not recognized in the financial statements.

The organization utilizes a large amount of volunteer hours to support its programs and services. The value of this contributed time is not reflected in these financial statements.

**(f) Financial instruments**

Financial instruments are initially measured at fair value and subsequently measured at either fair value or amortized cost. Financial assets measured at amortized cost are tested for impairment when changes in circumstances indicate the asset could be impaired.

Financial assets measured at amortized cost include cash and accounts receivable. Short term investments are measured at fair value. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**(g) Use of estimates**

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

**2. Short term investments**

Short term investments held with TD Wealth consist of guaranteed investment certificates and a money market account bearing interest between 2.15% and 5.00%. The GICs have maturity dates between March 30, 2023 and April 1, 2024 and are cashable.

**3. Interfund transfers**

During the year, \$357,942 was transferred from the Unrestricted Fund to the Sustainability Fund (\$143,356) and Property Fund (\$214,586) to purchase guaranteed investment certificates. To fund capital additions, \$19,592 was transferred from Property fund to the Capital Asset Fund.

**BEAVER VALLEY OUTREACH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**

**4. Property and equipment**

	2022	2021
	\$	\$
Cost		
Land	386,000	386,000
Building	621,928	621,928
Building improvements	1,000,560	991,917
Computers	23,239	23,239
Equipment	38,140	27,191
Leasehold Improvements	16,414	16,414
Signage	12,314	12,314
	<b>2,098,595</b>	<b>2,079,003</b>
Accumulated amortization		
Building	124,967	104,260
Building improvements	168,226	133,725
Computers	22,076	20,654
Equipment	17,773	14,050
Leasehold Improvements	11,399	10,145
Signage	7,189	4,726
	<b>351,630</b>	<b>287,560</b>
	<b>1,746,965</b>	<b>1,791,443</b>

**5. Deferred revenue**

Deferred revenue is composed of the following amounts:

	2022	2021
	\$	\$
Community Garden	1,200	1,200
ESDC - Seniors Centre Without Walls	7,823	5,320
	<b>9,023</b>	<b>6,520</b>

During the year, the Organization received a ESDC grant in the amount of \$25,000 for the Seniors Centre Without Walls program of which \$17,177 was spent. Prior year deferred revenue was fully spent during the current year.

The community garden amount represents prepayments for garden plots received in advance of the summer season.

**6. Deferred contributions**

Deferred Contributions related to property and equipment includes the unamortized portions of restricted contributions with which the property and equipment were originally purchased.

	2022	2021
	\$	\$
Balance at beginning of year	2,100	2,700
Amounts amortized to revenue	(600)	(600)
	<b>1,500</b>	<b>2,100</b>

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**BEAVER VALLEY OUTREACH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. Government assistance**

During the year the organization received \$10,315 (2021 - \$167,905) in financial assistance through the government provided Canada Recovery Hiring Program (CHRP) which replaced the Canada Emergency Wage Subsidy program in the current year.

**8. Financial instruments**

**(a) Credit risk**

Credit risk is the risk that on party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in connection with the collection of its accounts receivable and holding all bank accounts at one financial institution where deposits are only insured up to \$100,000. The Organization mitigates this risk by maintaining credit approval and payment policies. The Organization does not anticipate significant loss for non-collection.

**(b) Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable. The Organization expects to meet these obligations as they come due with cash flow from operations.

**BEAVER VALLEY OUTREACH**  
**SCHEDULE OF REVENUE AND EXPENDITURES - PROGRAM**  
**FOR THE YEAR ENDED DECEMBER 31**

	<b>SCHEDULE 1</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
		<b>(Unaudited)</b>
<b>Revenue</b>		
Affordable housing	12,000	15,500
Breakfast club	15,510	2,353
Community garden	3,300	17,880
Donation revenue	135,554	155,927
EarlyON	25,324	24,023
Emergency services	16,871	11,481
Fresh food basket	1,704	500
Fundraising	43,583	40,450
Kid's club	32,102	30,984
New Territory for Seniors & Answers4Seniors	24,997	25,671
Recreational funding	6,410	6,000
Special events	25,807	17,311
Summer day camp	52,061	49,177
	<u>395,223</u>	<u>397,257</u>
<b>Expenditures</b>		
Affordable housing	14,020	13,600
Breakfast club	8,466	6,339
Christmas hampers	40,873	36,800
Community engagement	339	530
Community garden	1,649	14,240
EarlyON	25,084	23,275
Emergency services	35,766	20,520
Fresh food basket	762	1,061
Fundraising	3,996	4,861
Kid's club	17,427	16,370
Seniors	23,427	21,137
Recreational funding	13,076	6,540
Special events	21	533
Summer day camp	33,444	31,962
Youth	7,359	6,537
Wages and benefits	212,499	191,110
	<u>438,208</u>	<u>395,415</u>
Excess (deficiency) of revenue over expenditures	<u>(42,985)</u>	<u>1,842</u>

See accompanying notes to the financial statements

**BEAVER VALLEY OUTREACH**  
**SCHEDULE OF REVENUE AND EXPENDITURES - PRESCHOOL**  
**FOR THE YEAR ENDED DECEMBER 31**

	2022	2021
	\$	\$
		(Unaudited)
<b>SCHEDULE 2</b>		
<b>Revenue</b>		
Donations	-	8,558
General operating grant	53,477	145,056
Parent fees	205,668	221,135
Subsidies	116,216	98,180
Other	8,349	21,248
	<b>383,710</b>	<b>494,177</b>
<b>Expenditures</b>		
Advertising	237	-
Cleaning	7,021	6,206
Food	17,200	17,083
Insurance	2,111	2,008
Professional development	2,094	2,670
Repairs and maintenance	16,215	6,301
Supplies	6,634	11,966
Telephone	2,138	2,426
Utilities	8,029	7,965
Wages and benefits	368,593	364,822
	<b>430,272</b>	<b>421,447</b>
Excess (deficiency) of revenue over expenditures	<b>(46,562)</b>	<b>72,730</b>

See accompanying notes to the financial statements