

BEAVER VALLEY OUTREACH

FINANCIAL STATEMENTS

DECEMBER 31, 2023

BEAVER VALLEY OUTREACH
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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, 2023 and the statements of changes in net assets, operations, and cash flow 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, 2023, 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, excess of revenues over expenses, and cash flows from operations for the years ending December 31, 2023 and December 31, 2022 and current assets and net assets as at December 31, 2023 and December 31, 2022. 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.

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
April 10, 2024

BEAVER VALLEY OUTREACH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2023	2022
	\$	\$
Assets		
Current		
Cash	114,121	155,143
Short term investments (Note 2)	940,259	680,671
Accounts receivable	109,336	33,806
HST rebate receivable	-	4,857
Prepaid expenses	-	528
	1,163,716	875,005
Property and equipment (Note 4)	1,722,269	1,746,965
	2,885,985	2,621,970
Liabilities		
Current		
Accounts payable and accrued liabilities	98,995	82,246
Government remittances payable	16,928	17,549
Deferred revenue (Note 5)	16,832	9,023
	132,755	108,818
Deferred contributions related to property and equipment (Note 6)	9,296	1,500
	142,051	110,318
Net assets		
Operating fund	88,237	84,016
Capital asset fund	1,715,437	1,746,965
Property fund	623,876	374,398
Sustainability fund	316,384	306,273
	2,743,934	2,511,652
	2,885,985	2,621,970

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 \$	Property Fund \$	Sustainability Fund \$	2023 \$	2022 \$
Fund balance at beginning of year	84,016	1,746,965	374,398	306,273	2,511,652	2,362,578
Excess of revenue over expenditures	265,028	(62,335)	19,478	10,111	232,282	149,074
Interfund transfers (Note 3)	(260,807)	30,807	230,000	-	-	-
Fund balance at end of year	88,237	1,715,437	623,876	316,384	2,743,934	2,511,652

See accompanying notes to financial statements

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

	2023 \$	2022 \$
Revenue		
Program (Schedule 1)	421,613	395,223
Preschool (Schedule 2)	620,976	383,710
Treasure Shop	603,010	507,462
Grant and other income	1,903	1,893
	<u>1,647,502</u>	<u>1,288,288</u>
Expenditures		
Administration	3,120	3,000
Advertising and promotion	83	-
Amortization	63,642	64,070
Bank interest and charges	1,997	2,818
Communications	20,091	18,626
Health and safety	5,696	5,046
Insurance	5,709	6,605
Professional development	3,040	408
Professional services	14,677	17,632
Repairs and maintenance	21,897	17,162
Supplies	14,327	10,683
Technical equipment and maintenance	16,548	11,112
Telephone	3,078	2,871
Treasure shop	139,710	122,902
Utilities	6,988	5,508
Volunteer	5,103	1,479
Program (Schedule 1)	539,958	438,208
Preschool (Schedule 2)	581,117	430,272
	<u>1,446,781</u>	<u>1,158,402</u>
Excess of revenue over expenditures before other income	<u>200,721</u>	<u>129,886</u>
Other income		
Amortization of deferred contributions (Note 6)	1,307	600
Government subsidies (Note 7)	-	10,315
Interest income	29,589	8,273
Miscellaneous	665	-
	<u>31,561</u>	<u>19,188</u>
Excess of revenue over expenditures	<u>232,282</u>	<u>149,074</u>

See accompanying notes to the financial statements

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

	2023 \$	2022 \$
Cash provided by (used for)		
Operating activities		
Excess of revenue over expenditures	232,282	149,074
Items not involving cash		
Amortization of property and equipment	66,106	64,070
Amortization of deferred contributions	(1,307)	(600)
	<u>297,081</u>	<u>212,544</u>
Change in		
Accounts receivable	(75,530)	86,555
HST rebate receivable	4,857	(1,776)
Prepaid expenses	528	483
Accounts payable and accrued liabilities	16,747	9,290
Government remittances payable/receivable	(620)	2,137
Deferred revenue	7,810	2,503
	<u>250,873</u>	<u>311,736</u>
Investing activities		
Purchase of property and equipment	(41,410)	(19,592)
Purchase of investments	(259,588)	(346,623)
Contributions related to property and equipment	9,103	-
	<u>(291,895)</u>	<u>(366,215)</u>
Change in cash	(41,022)	(54,479)
Cash at beginning of year	<u>155,143</u>	<u>209,622</u>
Cash at end of year	<u>114,121</u>	<u>155,143</u>

See accompanying notes to the financial statements

BEAVER VALLEY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

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

The Capital Asset Fund reports property and equipment used in operations net of related liabilities.

The Sustainability Fund was created 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.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash on deposit in Canadian financial institutions.

BEAVER VALLEY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(e) 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 and improvements	4% declining balance
Computers	55% declining balance
Equipment	20% declining balance
Furniture	20% declining balance
Leasehold improvements	20% declining balance
Signage	5 years straight-line

(f) 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.

(g) 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.

(h) 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 2.87% and 5.40%. The GICs have maturity dates between March 24, 2024 and December 30, 2024 and are cashable.

3. Interfund transfers

During the year, the Operating fund transferred \$30,807 to the Capital Asset Fund to fund property and equipment additions and \$230,000 of excess funds to the Property Fund to purchase guaranteed investment certificates.

BEAVER VALLEY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

4. Property and equipment

	2023	2022
	\$	\$
Cost		
Land	386,000	386,000
Building	621,928	621,928
Building improvements	1,000,560	1,000,560
Computers	27,914	23,239
Equipment	38,140	38,140
Leasehold improvements	16,414	16,414
Signage	12,314	12,314
Furniture	10,059	-
Preschool building	2,547	-
Preschool equipment	24,128	-
	2,140,004	2,098,595
Accumulated amortization		
Building	144,845	124,967
Building improvements	201,519	168,226
Computers	24,002	22,076
Equipment	21,846	17,773
Leasehold improvements	12,402	11,399
Signage	9,651	7,189
Furniture	1,006	-
Preschool building	51	-
Preschool equipment	2,413	-
	417,735	351,630
	1,722,269	1,746,965

5. Deferred revenue

Deferred revenue is composed of the following amounts:

	2023	2022
	\$	\$
Community Garden	1,545	1,200
ESDC - Seniors Centre Without Walls	5,033	7,823
Good Food Box	1,254	-
Breakfast Club	9,000	-
	16,832	9,023

During the year, the Organization received an Employment Services Development Canada (ESDC) grant in the amount of \$20,134 for the Seniors Centre Without Walls program of which \$15,101 was spent. Prior year deferred revenue was fully spent during the current year.

During the year, the Organization received \$15,000 for the breakfast program for the period September 2023 to June 2024. This amount is being recognized monthly in the amount of \$1,500 per month.

The community garden amount represents prepayments for garden plots received in advance of the summer season. The good food box amount represents a contribution for 2024 received in advance.

BEAVER VALLEY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

6. Deferred contributions related to property and equipment

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

	2023	2022
	\$	\$
Balance at beginning of year	1,500	2,100
Additional contributions	9,103	-
Amounts amortized to revenue	(1,307)	(600)
	9,296	1,500

During the year, additional contributions include preschool building shed for \$2,547 and preschool equipment dishwasher for \$6,556.

7. Government assistance

During the year the organization received \$0 (2022 - \$10,315) 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. Also mitigates by having GICs with different financial insitutions where no one has over \$100,000 but are all held through TD account. 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

	SCHEDULE 1	
	2023	2022
	\$	\$
Revenue		
Affordable housing	-	12,000
Breakfast club	17,452	15,510
Community garden	920	3,300
Donation revenue	95,225	135,554
EarlyON	41,945	25,324
Emergency services	28,442	16,871
Fundraising	46,284	43,583
Good food box	600	1,704
Kid's club	44,208	32,102
New Territory for Seniors & Answers4Seniors	25,423	24,997
Recreational funding	9,314	6,410
Special events	35,286	25,807
Summer day camp	75,514	52,061
Youth	1,000	-
	421,613	395,223
Expenditures		
Affordable housing	3,782	14,020
Breakfast club	8,116	8,466
Christmas hampers	65,290	40,873
Community engagement	22,502	339
Community garden	1,598	1,649
EarlyON	41,945	25,084
Emergency services	31,927	35,766
Fundraising	5,764	3,996
Good food box	4,253	762
Kid's club	27,020	17,427
Seniors	22,007	23,427
Recreational funding	8,053	13,076
Special events	2,494	21
Summer day camp	66,916	33,444
Youth	5,771	7,359
Wages and benefits	222,520	212,499
	539,958	438,208
Excess (deficiency) of revenue over expenditures	(118,345)	(42,985)

See accompanying notes to the financial statements

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

	SCHEDULE 2	
	2023	2022
	\$	\$
Revenue		
Parent Fees	161,277	205,668
Subsidies		
CWELCC	294,846	66,527
Daycare subsidies	12,788	10,515
General operating grant	53,477	53,477
Other subsidies	55,020	2,145
Wage enhancement	40,845	37,029
Other	2,723	8,349
	<u>620,976</u>	<u>383,710</u>
Expenditures		
Advertising	-	237
Amortization	2,464	-
Cleaning	3,265	7,021
Food	22,865	17,200
Insurance	3,129	2,111
Professional development	1,069	2,094
Repairs and maintenance	44,529	16,215
Supplies	13,632	6,634
Telephone	2,135	2,138
Utilities	7,868	8,029
Wages and benefits	480,161	368,593
	<u>581,117</u>	<u>430,272</u>
Excess (deficiency) of revenue over expenditures	<u>39,859</u>	<u>(46,562)</u>

See accompanying notes to the financial statements