

BEAVER VALLEY OUTREACH

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024 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, 2024, 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, 2024 and December 31, 2023 and current assets and net assets as at December 31, 2024 and December 31, 2023. 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.

BEAVER VALLEY OUTREACH
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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, ~~forger~~y, 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.

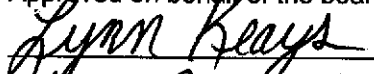
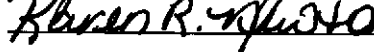
Baker Tilly SGB LLP

Chartered Professional Accountants
Licensed Public Accountants
Owen Sound, Ontario
April 22, 2025

BEAVER VALLEY OUTREACH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2024 \$	2023 \$
Assets		
Current		
Cash	126,340	114,121
Short term investments (Note 3)	1,237,121	940,259
Accounts receivable	142,848	109,336
	<u>1,506,309</u>	<u>1,163,716</u>
Property and equipment (Note 5)	1,691,732	1,722,269
	<u>3,198,041</u>	<u>2,885,985</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	101,681	98,995
Government remittances payable	21,514	16,928
Deferred revenue (Note 6)	17,848	16,832
	<u>141,043</u>	<u>132,755</u>
Deferred contributions related to property and equipment (Note 7)	16,777	9,296
	<u>157,820</u>	<u>142,051</u>
Net assets		
Operating fund	127,874	88,237
Capital asset fund	1,674,953	1,715,437
Property fund	820,808	623,876
Sustainability fund	416,586	316,384
	<u>3,040,221</u>	<u>2,743,934</u>
	<u>3,198,041</u>	<u>2,885,985</u>

Approved on behalf of the board

 Director
 Director

See accompanying notes to the financial statements

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

	Operating Fund \$	Capital Asset Fund \$	Property Fund \$	Sustainability Fund \$	2024 \$	2023 \$
Fund balance at beginning of year	88,237	1,715,437	623,876	316,384	2,743,934	2,511,652
Excess of revenue over expenditures	316,375	(67,222)	46,932	202	296,287	232,283
Interfund transfers (Note 4)	(276,738)	26,738	150,000	100,000	-	-
Fund balance at end of year	127,874	1,674,953	820,808	416,586	3,040,221	2,743,935

See accompanying notes to financial statements

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

	2024 \$	2023 \$
Revenue		
Program (Schedule 1)	489,297	421,613
Preschool (Schedule 2)	683,063	620,976
Treasure Shop	702,174	603,010
Grant and other income	14,634	1,903
	<u>1,889,168</u>	<u>1,647,502</u>
Expenditures		
Administration	2,651	3,120
Advertising and promotion	-	83
Amortization	62,973	63,642
Bank interest and charges	1,707	1,997
Board	6,789	128
Communications	35,737	20,091
Health and safety	7,361	5,696
Insurance	5,539	5,709
Professional development	5,989	3,040
Professional services	7,052	14,677
Repairs and maintenance	23,574	21,897
Supplies	7,017	14,199
Technical equipment and maintenance	23,311	16,548
Telephone	4,356	3,078
Treasure shop	182,828	139,710
Utilities	7,697	6,988
Volunteer	3,514	5,103
Program (Schedule 1)	584,723	522,645
Preschool (Schedule 2)	669,605	598,429
	<u>1,642,423</u>	<u>1,446,780</u>
Excess of revenue over expenditures before other income	<u>246,745</u>	<u>200,722</u>
Other income		
Amortization of deferred contributions (Note 7)	2,408	1,307
Interest income	47,134	29,589
Miscellaneous	-	665
	<u>49,542</u>	<u>31,561</u>
Excess of revenue over expenditures	<u>296,287</u>	<u>232,283</u>

See accompanying notes to the financial statements

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

	2024 \$	2023 \$
Cash provided by (used for)		
Operating activities		
Excess of revenue over expenditures	296,287	232,283
Items not involving cash		
Amortization of property and equipment	69,630	66,106
Amortization of deferred contributions	(2,408)	(1,307)
	363,509	297,082
Change in		
Accounts receivable	(33,512)	(75,530)
HST rebate receivable	-	4,857
Prepaid expenses	-	528
Accounts payable and accrued liabilities	2,685	16,746
Government remittances payable/receivable	4,585	(620)
Deferred revenue	1,016	7,810
	338,283	250,873
Investing activities		
Purchase of property and equipment	(39,091)	(41,410)
Purchase of investments	(296,862)	(259,588)
Contributions related to property and equipment	9,889	9,103
	(326,064)	(291,895)
Change in cash	12,219	(41,022)
Cash at beginning of year	114,121	155,143
Cash at end of year	126,340	114,121

See accompanying notes to the financial statements

BEAVER VALLEY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

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

The Sustainability Fund was created for unexpected situations requiring funding that cannot be handled through normal operation revenues.

(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, 2024

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. This includes the treasure shop inventory which would not be otherwise purchased if not donated.

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. Comparative figures

Certain comparative amounts have been restated to conform to current year's presentation.

3. Short term investments

Short term investments held with TD Wealth consist of guaranteed investment certificates and a money market account bearing interest between 2.80% and 5.12%. The GICs have maturity dates between February 27, 2025 and December 30, 2026 and are cashable.

BEAVER VALLEY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

4. Interfund transfers

During the year, the Operating fund transferred \$26,738 to the Capital Asset Fund to fund property and equipment additions and \$150,000 of excess funds to the Property Fund to purchase guaranteed investment certificates and \$100,000 of excess funds to the Sustainability Fund to purchase guaranteed investment certificates

5. Property and equipment

	2024	2023
	\$	\$
Cost		
Land	386,000	386,000
Building	625,410	621,928
Building improvements	1,000,560	1,000,560
Computers	30,688	27,914
Equipment	44,222	38,140
Leasehold improvements	16,414	16,414
Signage	12,314	12,314
Furniture	10,059	10,059
Preschool building	8,309	2,547
Preschool equipment	45,121	24,128
	<u>2,179,097</u>	<u>2,140,004</u>
Accumulated amortization		
Building	163,998	144,845
Building improvements	233,481	201,519
Computers	26,917	24,002
Equipment	25,713	21,846
Leasehold improvements	13,204	12,402
Signage	12,114	9,651
Furniture	2,817	1,006
Preschool building	266	51
Preschool equipment	8,855	2,413
	<u>487,365</u>	<u>417,735</u>
	<u>1,691,732</u>	<u>1,722,269</u>

BEAVER VALLEY OUTREACH
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31

6. Deferred revenue

Deferred revenue is composed of the following amounts:

	2024	2023
	\$	\$
Community Garden	1,610	1,545
ESDC - Seniors Centre Without Walls	6,050	5,033
Good Food Box	1,188	1,254
Breakfast Club	9,000	9,000
	<u>17,848</u>	<u>16,832</u>

During the year, the Organization received an Employment Services Development Canada (ESDC) grant in the amount of \$24,200 for the Seniors Centre Without Walls program of which \$18,150 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 2024 to June 2025. 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 2025 received in advance.

7. 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.

	2024	2023
	\$	\$
Balance at beginning of year	9,296	1,500
Additional contributions	9,889	9,103
Amounts amortized to revenue	<u>(2,408)</u>	<u>(1,307)</u>
	<u>16,777</u>	<u>9,296</u>

During the year, additional contributions include amounts for preschool building counter tops for \$5,762 and preschool equipment front load washer for \$4,127.

BEAVER VALLEY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

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. 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

	SCHEDULE 1	
	2024	2023
	\$	\$
Revenue		
Breakfast club	18,804	17,452
Community garden	2,708	920
Donation revenue	164,078	95,225
EarlyON	40,795	41,945
Emergency services	9,749	28,442
Fundraising	35,596	46,284
Good food box	-	600
Kid's club	76,342	44,208
New Territory for Seniors & Answers4Seniors	27,692	25,423
Recreational funding	7,472	9,314
Special events	9,586	35,286
Summer day camp	89,975	75,514
Youth	6,500	1,000
	489,297	421,613
Expenditures		
Affordable housing	-	3,782
Breakfast club	10,821	8,116
Christmas hampers	68,725	65,290
Community engagement	6,669	22,502
Community garden	2,089	1,598
EarlyON	39,708	41,945
Emergency services	54,395	31,927
Fundraising	9,298	5,764
Good food box	1,871	4,253
Kid's club	53,753	27,020
New Territory for Seniors & Answers4Seniors	28,474	22,007
Recreational funding	8,573	8,053
Special events	-	2,494
Summer day camp	47,348	49,603
Youth	20,293	5,771
Wages and benefits	232,706	222,520
	584,723	522,645
Excess (deficiency) of revenue over expenditures	(95,426)	(101,032)

See accompanying notes to the financial statements

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

	SCHEDULE 2	
	2024	2023
	\$	\$
Revenue		
Parent Fees	174,452	161,277
Subsidies		
CWELCC	367,604	294,846
Daycare subsidies	13,985	12,788
General operating grant	57,580	53,477
Other subsidies	2,244	55,020
Wage enhancement	43,687	40,845
Donations	500	-
Other	23,011	2,723
	<u>683,063</u>	<u>620,976</u>
Expenditures		
Advertising	50	-
Amortization	6,657	2,464
Cleaning	1,229	3,265
Food	27,103	22,865
Insurance	3,801	3,129
Professional development	2,967	1,069
Professional fees	11,891	17,312
Repairs and maintenance	9,943	44,529
Supplies	16,220	13,632
Telephone	1,980	2,135
Utilities	9,880	7,868
Wages and benefits	577,884	480,161
	<u>669,605</u>	<u>598,429</u>
Excess of revenue over expenditures	<u>13,458</u>	<u>22,547</u>

See accompanying notes to the financial statements