

# **Oak Park Neighbourhood Centre**

## **Financial Statements**

**August 31, 2023**

# Oak Park Neighbourhood Centre

August 31, 2023

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## Independent Auditor's Report

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To the Board of Directors of:  
Oak Park Neighbourhood Centre

### Qualified Opinion

We have audited the financial statements of Oak Park Neighbourhood Centre ("the Organization"), which comprise of the statement of financial position as at August 31, 2023, and the statements of operations, 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, 2023, and its results of operations and its 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 unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations, current assets and net assets as at August 31, 2023 and August 31, 2022. Our audit opinion on the financial statements for the year ended August 31, 2023 and August 31, 2022 were modified accordingly because of the possible effects of this limitation in scope.

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 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.

When individuals responsible for the oversight of the financial reporting process are the same as those responsible for the preparation of the financial statements, no reference to oversight responsibilities is required.

## **Independent Auditor's Report (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 controls that we identify during our audit.

**Oakville, Canada**  
November 21, 2023

  
**Douglas Spence & Associates Professional Corporation**  
Chartered Professional Accountants  
Licensed Public Accountants

# Oak Park Neighbourhood Centre

## Statement of Financial Position

August 31, 2023

	Notes	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 374,819	\$ 376,688
Short-term investment	3.	60,000	-
Interest receivable on short-term investment	3.	1,750	-
Government remittances receivable		18,706	10,644
		<b>455,275</b>	<b>387,332</b>
Interest receivable on long-term investments	4.	1,026	-
Long-term investment	4.	28,000	-
Capital assets - net	5.	614,959	639,073
<b>Total assets</b>		<b>\$ 1,099,260</b>	<b>\$ 1,026,405</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 5,000	\$ 5,000
Government remittances payable		8,074	8,093
Deferred government grant revenue	6.	73,930	39,452
Deferred revenue	7.	136,494	152,996
		<b>223,498</b>	<b>205,541</b>
CEBA loan	8.	-	40,000
Deferred revenue - capital assets	9.	205,451	251,677
<b>Total liabilities</b>		<b>428,949</b>	<b>497,218</b>
<b>Net assets</b>			
Restricted	10.	90,000	30,000
Restricted - micro loan	10.	20,000	20,000
Unrestricted		560,311	479,187
		<b>670,311</b>	<b>529,187</b>
<b>Total liabilities and net assets</b>		<b>\$ 1,099,260</b>	<b>\$ 1,026,405</b>

Approved on behalf of the board

\_\_\_\_\_,  
\_\_\_\_\_,

The accompanying notes are an integral part of these financial statements.

# Oak Park Neighbourhood Centre

## Statement of Operations

For the Year Ended August 31, 2023

	Notes	2023	2022
<b>Revenue</b>			
Government grants	12.	\$ 377,821	\$ 153,563
Other grants	13.	236,596	424,739
Program income	11.	151,732	166,717
Fundraising income		119,719	73,905
Donations - In kind		86,289	105,443
Charitable donations		66,977	66,338
Amortization of deferred revenue - capital assets	9.	46,226	46,226
Rental		38,556	30,095
Membership		2,644	3,161
		<b>1,126,560</b>	<b>1,070,187</b>
<b>Operating expenses</b>			
Program costs	15.	706,019	651,284
Amortization of capital assets		92,507	85,443
Salaries and benefits		79,164	72,563
Office and administration		26,263	15,246
Cleaning and property maintenance		13,067	7,112
Facility maintenance		46,497	4,314
Utilities		8,945	7,819
Property taxes		6,857	6,647
Professional fees		5,665	6,515
Insurance		4,890	4,734
Telephone		4,674	3,221
Training		4,531	1,337
Evaluation		1,669	1,429
Advertising and promotion		684	62
Mortgage interest		-	6,003
		<b>1,001,432</b>	<b>873,729</b>
<b>Excess of revenue over expenses from operations</b>		<b>125,128</b>	<b>196,458</b>
<b>Other income</b>			
Interest on short-term investment	3.	1,750	-
Interest on long-term investment	4.	1,026	-
Interest		3,220	1,602
Canada Emergency Wage Subsidy		-	5,963
CEBA loan forgiveness	8.	10,000	-
		<b>15,996</b>	<b>7,565</b>
<b>Excess of revenue over expenses</b>		<b>\$ 141,124</b>	<b>\$ 204,023</b>

The accompanying notes are an integral part of these financial statements.

# Oak Park Neighbourhood Centre

## Statement of Changes in Net Assets

For the Year Ended August 31, 2023

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	2023			
	Unrestricted	Restricted micro loan	Restricted	Total
Balance, beginning of the year	\$ 479,187	\$ 20,000	\$ 30,000	\$ 529,187
Excess of revenue over expenses	141,124	-	-	141,124
Transfer of funds	(60,000)	-	60,000	-
<b>Balance, end of year</b>	<b>\$ 560,311</b>	<b>\$ 20,000</b>	<b>\$ 90,000</b>	<b>\$ 670,311</b>

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	2022			
	Unrestricted	Restricted micro loan	Restricted	Total
Balance, beginning of year	\$ 275,165	\$ 20,000	\$ 30,000	\$ 325,165
Excess of revenues over expenses	204,023	-	-	204,023
<b>Balance, end of year</b>	<b>\$ 479,188</b>	<b>\$ 20,000</b>	<b>\$ 30,000</b>	<b>\$ 529,188</b>

The accompanying notes are an integral part of these financial statements.

# Oak Park Neighbourhood Centre

## Statement of Cash Flows

For the Year Ended August 31, 2023

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$ 141,124	\$ 204,023
<b>Change in non-cash items</b>		
Amortization of capital assets	92,507	85,443
Amortization of deferred revenue - capital assets	(46,226)	(46,226)
CEBA loan forgiveness	(10,000)	-
<b>Changes in non-cash working capital items</b>		
(Increase) decrease in government remittances receivable	(8,062)	6,558
Decrease in government remittances payable	(17)	(18,986)
Decrease in government assistance receivable	-	14,010
Increase in accounts payable and accrued liabilities	-	953
Increase (decrease) in deferred revenue	20,378	(137,290)
(Decrease) increase in deferred government grant revenue	(2,402)	76,332
	<b>187,302</b>	<b>184,816</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of short-term investment	(60,000)	-
Purchase of long-term investment	(28,000)	-
Purchase of capital assets	(68,395)	-
Increase in interest receivable on short-term investment	(1,750)	-
Increase in interest receivable on long-term investment	(1,026)	-
	<b>(159,171)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of mortgage	-	(244,849)
Repayment of CEBA loan	(30,000)	-
	<b>(30,000)</b>	<b>(244,849)</b>
<b>Net cash decrease</b>	<b>(1,869)</b>	<b>(60,033)</b>
Cash, beginning of period	<b>376,688</b>	<b>436,721</b>
<b>Cash, end of period</b>	<b>\$ 374,819</b>	<b>\$ 376,688</b>

The accompanying notes are an integral part of these financial statements.



# Oak Park Neighbourhood Centre

## Notes to the Financial Statements

For the Year Ended August 31, 2023

### 1. Nature of operations

Oak Park Neighbourhood Centre (the "Organization") is a charitable organization incorporated without share capital on August 23, 2002 and was granted charitable organization status on January 19, 2004. The Organization exists to provide support for the community of Oakville with a focus on North Oakville. Support is provided through diverse programs with the objective to relieve poverty, provide education, support, recreational and social opportunities. For Canadian income tax purposes the Organization is a non-profit organization which is exempt from income tax under the income tax act.

### 2. Significant accounting policies

#### a. Basis of preparation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

#### b. Cash

Cash consists of balances with the bank.

#### c. Financial instruments

i) Financial instruments are recorded at fair value when acquired or issued. Subsequently, all financial instruments are measured at amortized cost.

Financial assets measured at amortized cost include cash, short-term interest receivable, long-term interest receivable, short-term investment and long-term investment.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities.

ii) For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

#### d. Revenue recognition

The Organization follows the deferral method of accounting for charitable donations and grant funding. Restricted donations and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# Oak Park Neighbourhood Centre

## Notes to the Financial Statements

For the Year Ended August 31, 2023

### 2. Significant accounting policies (continued)

#### d. Revenue recognition (continued)

Fundraising income is recognized as revenue when the event which gives rise to the revenue is held and the amounts are received. Program income is recognized as revenue when services are rendered and the amounts are received or receivable and if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees and rental income are recognized as revenue when received. Memberships received late in the fiscal year are deferred where membership benefits extend into the subsequent year.

Restricted contributions for the purchase of capital assets will be amortized into income on the same basis of the acquired capital asset.

Donated goods are recorded at their fair market value at the time of the donation.

#### e. Capital assets

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

Land and land improvements	Non depreciable
Building	15 years straight line method
Furniture and fixtures	5 years straight line method
Fencing	10 years straight line method

Capital assets under construction and capital assets acquired during the year but not placed into use are not amortized until they are placed into use. The Organization regularly reviews its capital assets to eliminate obsolete items.

#### f. Impairment of long lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

#### 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

# Oak Park Neighbourhood Centre

## Notes to the Financial Statements

For the Year Ended August 31, 2023

### 2. Significant accounting policies (continued)

#### h. Government assistance

Government assistance relating to forgivable loans are accounted for based on how the proceeds are utilized. If used for current operations the amounts are recorded as income in the corresponding period. If used for operations in later periods the amount is deferred until those periods. The forgivable loan relating to the Canada Emergency Business Account ("CEBA") is recognized when the loan is repaid.

### 3. Short-term investment

Short-term investment consists of a one year GIC bearing interest at 3.9%. Total interest income accrued was \$1,750 (2022 - \$nil).

### 4. Long-term investment

Long-term investment consists of a three year GIC bearing interest at 4.9%. Total interest income accrued was \$1,026 (2022 - \$nil).

### 5. Capital assets

Capital assets consist of the following:

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 363,597	\$ -	\$ 363,597	\$ 363,597
Land improvements	13,825	-	13,825	13,825
Building	564,278	330,261	234,017	257,479
Furniture and fixtures	4,624	4,624	-	-
Fences	7,821	4,302	3,520	4,172
<b>Total</b>	<b>\$ 954,145</b>	<b>\$ 339,187</b>	<b>\$ 614,959</b>	<b>\$ 639,073</b>

During the year, amortization on capital assets totalled \$93,426 (2022 - \$85,443). In addition, there were capital asset purchases of \$82,191 (2022 - \$nil).

# Oak Park Neighbourhood Centre

## Notes to the Financial Statements

For the Year Ended August 31, 2023

### 6. Deferred government grant revenue

The Organization defers government grant revenue when externally restricted funds have been received and the related expenses have not yet been incurred or program services have not yet been delivered during the year. The Organization deferred restricted government grants for planned program and administrative expenses.

Deferred revenue includes funds received from government agencies and donors, restricted for specific purposes or designated for expenses planned in the next fiscal year. The government funds could be repayable if not used for the purposes designated.

	2023	2022
<b>Provincial</b>		
Ontario Trillium Foundation- Covid Resiliency Grant	\$ -	\$ 4,500
<b>Municipal</b>		
Halton Region Community Investment Fund- Financial Literacy Grant	34,720	-
Halton Region Community Investment Fund-Churchill Grant	21,210	27,349
Halton Region Building Safer Communities Grant	7,000	-
Halton Region CWELCC	4,860	-
Halton Region Childcare Workplace Grant	3,639	4,000
Halton Region Childcare Enhanced Support	2,501	-
Halton Region Childcare Wage Enhancement Grant	-	3,603
	<b>\$ 73,930</b>	<b>\$ 39,452</b>

### 7. Deferred revenue

The Organization defers revenue when externally restricted funds have been received and the related expenses have not yet been incurred or program services have not yet been delivered during the year. The Organization deferred restricted grants, charitable donations, fundraising income and program income for planned program and administrative expenses.

	2023	2022
Charitable donations	\$ 109,800	\$ 72,111
Afterschool programs	12,526	13,117
Fall fair	9,521	-
Fundraising income	1,212	36,508
Syrian family income	-	19,867
Preschool income	3,435	8,875
Rental income	-	2,339
Membership income	-	179
	<b>\$ 136,494</b>	<b>\$ 152,996</b>

# Oak Park Neighbourhood Centre

## Notes to the Financial Statements

For the Year Ended August 31, 2023

### 8. CEBA loan

In the 2021 fiscal year, the Organization received a loan of \$40,000 through the Canada Emergency Business Account ("CEBA"). Based on the CEBA Term Loan Agreement, the repayment of \$30,000 will result in loan forgiveness of \$10,000. The Organization repaid \$30,000 on August 17, 2023, as a result, the forgivable portion of the loan has been recorded as income during the 2023 fiscal year.

### 9. Deferred revenue – capital assets

The Organization deferred grants, donations and fundraising funds restricted for capital assets, less the revenue recognized for capitalized costs incurred related to the renovation of the building, acquisition of land and purchase of furniture and fixtures. Original amounts were as follows: Phase One 2013 - \$169,012 (amortized over 15 years), Phase Two 2015 - \$105,583 (amortized over 15 years), furniture and fixtures 2015 - \$2,000 (amortized over 5 years), Phase Three 2016 - \$28,000 (amortized over 15 years) and Phase Four 2019 - \$135,000 (amortized over 15 years).

There was a change in the useful life of the building during the 2022 fiscal year from 20 years to 15 years. Deferred revenue related to the building is amortized into income, using the straight-line method, over a 15 year period which is on the same basis as the building.

	2022	Contributions	Revenue	2023
Building - phase one	\$ 69,055	\$ -	\$ (23,018)	\$ 46,037
Building - phase two	57,154	-	(9,526)	47,628
Building - phase three	17,150	-	(2,450)	14,700
Building - phase four	104,318	-	(10,432)	93,886
Fences	4,000	-	(800)	3,200
	\$ 251,677	\$ -	\$ (46,226)	\$ 205,451

### 10. Restricted net assets for operating reserve

The Board of Directors has adopted, in accordance with its responsibility for the long-term fiscal health of the Organization, an operating reserve fund to be used at its discretion for the purpose of settling extraordinary operational matters such as personnel settlements, legal fees, pay equity legislation, facility closure and other operational matters of significance. In accordance with this, the Board of Directors will review annually to determine an allocation for each completed fiscal period. Total accumulated reserve allocation is not to exceed 50% of the average annual operational costs. For the 2023 fiscal period, \$60,000 (2022 - \$nil) was allocated to this operating reserve.

In fiscal 2023, \$20,000 was restricted for the micro loan program (2022 - \$20,000). This donation was made from the Cockwell family.

# Oak Park Neighbourhood Centre

## Notes to the Financial Statements

For the Year Ended August 31, 2023

### 11. Program income

	2023	2022
After school programs	\$ 72,740	\$ 9,608
Childcare programs	55,299	150,572
Summer camp programs	12,930	6,537
Micro loan program	10,763	-
	<b>\$ 151,732</b>	<b>\$ 166,717</b>

### 12. Government grants

	2023	2022
<b>Federal</b>		
Canada Summer Jobs	\$ 57,450	\$ 33,591
Community Volunteer Income Tax Program	2,370	-
<b>Provincial</b>	-	-
Trillium Foundation- Capital Grant	67,100	-
Ministry of Tourism Culture & Sport- After School Program	16,500	15,000
Ontario Trillium Foundation- Covid Resiliency Grant	4,500	-
<b>Municipal</b>		
Halton Region Community Investment Fund- Churchill	85,643	79,461
Halton Region CWELCC	76,111	-
Halton Region Childcare Fee Subsidy	25,873	12,186
Halton Region Community Investment Fund- Financial Literacy	18,959	-
Halton Region Childcare Wage Enhancement	9,128	4,796
Halton Region Childcare GOG	7,826	8,529
Halton Region Building Safer Communities Action Table	5,000	-
Halton Region Childcare Enhanced Support	1,000	-
Halton Region Childcare Workplace Grant	361	-
	<b>\$ 377,821</b>	<b>\$ 153,563</b>

### 13. Other grants

	2023	2022
United Way	\$ 138,271	\$ 141,783
Oakville Hydro	52,971	119,056
Settlement Community Foundation	14,953	-
Cockwell Foundation	8,915	138,000
Charis Foundation	8,200	-
Other various	7,726	13,947
Oakville Optimist Club	5,560	11,953
	<b>\$ 236,596</b>	<b>\$ 424,739</b>

# Oak Park Neighbourhood Centre

## Notes to the Financial Statements

For the Year Ended August 31, 2023

### 14. Financial instrument risk

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, 2023.

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 and accrued liabilities. The Organization has sufficient current assets to meet its current liabilities.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

It is management's opinion that the Organization is not exposed to significant currency rate risk, interest rate risk and other price risk arising from these financial instruments.

### 15. Program costs

Included in program costs are wages and benefits totalling \$407,234 (2022 - \$364,828) which are paid to specific employees of the organization for the time spent working on individual programs throughout the fiscal year.

### 16. Comparative amounts

Certain comparative figures have been reclassified to conform to current year's presentation. There has been no impact on 2023 earnings or net assets as a result of these reclassifications.