

FINANCIAL STATEMENTS
For
THE WAUPOOS FOUNDATION
For the year ended
DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the directors of

THE WAUPOOS FOUNDATION*Qualified Opinion*

We have audited the financial statements of The Waupoos Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2022, and the statements of income 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 Foundation as at December 31, 2022 and the 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

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising, 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, net revenue for the year, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 was 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 Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 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 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

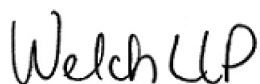
Auditor's Responsibilities for the Audit of the Financial Statements

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 Foundation'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 Foundation'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 Foundation 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.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
October 16, 2023.

THE WAUPOOS FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

| | <u>2022</u> | <u>2021</u> |
|--|-------------------------|-------------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash | \$ 66,177 | \$ 52,424 |
| Accounts receivable | 3,384 | 10,000 |
| Government remittances receivable | 154 | 3,940 |
| Prepaid expenses | <u>12,099</u> | <u>-</u> |
| | <u>\$ 81,814</u> | <u>\$ 66,364</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 10,792 | \$ 9,920 |
| Deferred revenue | - | 600 |
| Deferred contributions (note 4) | <u>20,764</u> | <u>12,677</u> |
| | 31,556 | 23,197 |
| NET ASSETS | | |
| Unrestricted | <u>50,258</u> | <u>43,167</u> |
| | <u>\$ 81,814</u> | <u>\$ 66,364</u> |

Signed:

LAURA CATER
..... President

LOUAY AL-NADDAF
..... Vice-President

(See accompanying notes)

THE WAUPOOS FOUNDATION
STATEMENT OF INCOME AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| Revenue | | |
| Ottawa Community Foundation | \$ 5,819 | \$ 219 |
| Donations - individual, other charities, Canada Helps, OCSB | 56,596 | 68,004 |
| Rent - Cottager program fee | 4,850 | 2,875 |
| - Use of facilities | 15,619 | 4,104 |
| - COVID Cottage Rentals | 8,800 | 24,000 |
| - Resident farm families | 12,300 | 12,000 |
| Fundraising | 2,358 | 5,883 |
| Grant - Youth Job Connect | 2,907 | - |
| Grant - Canada Summer Jobs | 17,622 | 21,740 |
| Grants - other | <u>7,385</u> | <u>5,800</u> |
| | <u>134,256</u> | <u>144,625</u> |
| Expenses | | |
| Major repairs and renovations: | | |
| Grounds renovations (playground, generator and boiler) | 11,988 | 10,370 |
| Water treatment system | 3,598 | 1,894 |
| Operating: | | |
| Electricity and heat | 22,861 | 23,835 |
| Repairs, maintenance and other | 22,437 | 33,423 |
| Administrative and program: | | |
| Payroll | 35,144 | 34,349 |
| Office and supplies | 1,869 | 1,892 |
| Insurance | 8,629 | 8,531 |
| Property tax | 4,960 | 4,833 |
| Professional fees | 3,700 | 3,100 |
| Liturgical costs | 33 | - |
| Non-recoverable HST | 2,826 | 3,094 |
| Fundraising expense | 1,111 | 3,892 |
| Special events | <u>8,009</u> | <u>3,272</u> |
| | <u>127,165</u> | <u>132,485</u> |
| Net revenue for the year | 7,091 | 12,140 |
| Net assets, beginning of year | <u>43,167</u> | <u>31,027</u> |
| Net assets, end of year | <u>\$ 50,258</u> | <u>\$ 43,167</u> |

(See accompanying notes)

THE WAUPOOS FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| CASH FLOWS FROM (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Net revenue for the year | \$ 7,091 | \$ 12,140 |
| Changes in non-cash working capital components: | | |
| Accounts receivable | 6,616 | (9,044) |
| HST recoverable | 3,786 | (766) |
| Accounts payable and accrued liabilities | 872 | 112 |
| Deferred revenue | (600) | (3,800) |
| Deferred contributions | <u>8,087</u> | <u>12,677</u> |
| | <u>13,753</u> | <u>11,319</u> |
| INCREASE IN CASH | 13,753 | 11,319 |
| CASH AT BEGINNING OF YEAR | <u>52,424</u> | <u>41,105</u> |
| CASH AT END OF YEAR | \$ <u>66,177</u> | \$ <u>52,424</u> |

(See accompanying notes)

THE WAUPOOS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

1. NATURE OF OPERATIONS

The Waupoos Foundation ("the Foundation") was incorporated under the Business Corporations Act of the Province of Ontario on May 6, 1976 to integrate prayer, work, and play in activities, while providing vacations to families in need.

The Foundation operates exclusively for social welfare as a not-for-profit organization under subsection 149(1) of the Income Tax Act (Canada) and as such is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accounting policies of the Foundation are in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Capital assets

The Foundation expenses its capital assets upon purchase. Capital assets were purchased during the year and are shown as Major repairs and renovations on the Statement of Income.

Financial instruments

Cash is initially and subsequently recorded at fair value. All other financial assets and liabilities are initially recorded at fair value and subsequently presented at cost or amortized cost.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 these estimates.

Donated goods and services

The work of the Foundation benefits from voluntary services and the donation of goods. As the valuation is difficult to determine, these services and goods are not recognized in these financial statements.

THE WAUPOOS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2022

3. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

Financial instruments expose the Foundation to a variety of risks. The following provides a measure of the Foundation's risk exposure and concentrations as at December 31, 2022. The Foundation does not use derivative financial instruments to manage its risks. There have been no changes in the organization's risk exposure from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Foundation's maximum exposure to credit risk is the sum of its cash and accounts receivable. Cash is held at a Canadian chartered bank and the amounts receivable consists of HST rebates and grants receivable. The Foundation is therefore not exposed to a high degree of credit risk.

Liquidity risk

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they become due. The Foundation meets its liquidity requirements by establishing budgets and cash estimates to ensure it has funds necessary to fulfill its obligations.

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 is comprised of currency risk, interest rate risk and other price risk. Management does not believe it is exposed to significant market risk.

4. DEFERRED CONTRIBUTIONS

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| Deferred contributions, beginning of year | \$ 12,677 | \$ - |
| Contributions received during the year | 10,000 | 17,778 |
| Amount recognized to revenues during the year | <u>(1,913)</u> | <u>(5,101)</u> |
| Deferred contributions, end of year | <u>\$ 20,764</u> | <u>\$ 12,677</u> |