

**TEN OAKS PROJECT**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Independent Auditors' Report**  
**Audited Statement of Financial Position**  
**Audited Statement of Operations**  
**Audited Statement of Changes in Net Assets**  
**Audited Statement of Cash Flows**  
**Notes to Financial Statements**

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Ten Oaks Project

### Qualified Opinion

We have audited the financial statements of Ten Oaks Project, which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of changes in net assets and cash flows statement 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 Ten Oaks Project as at December 31, 2023, and the results of its operations and 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, Ten Oaks Project 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 Ten Oaks Project. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, cash flows from operations and net assets for both December 31, 2023 and the previous year.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity 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 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

## Auditors' Responsibilities for the Audit of 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 auditors' 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 audit 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 controls.
- 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 auditors' 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 auditors' 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 matter 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.



Frouin Group Professional Corporation  
Ottawa, Ontario  
October 29, 2024

Authorized to practice accounting by the Chartered Professional Accountants of Ontario

**FROUIN**  
GROUP

**TEN OAKS PROJECT**  
**AUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 250,495	\$ 267,764
Short-term investments	0	12,671
Accounts receivable	50,174	81,369
HST recoverable	11,875	9,990
Prepaid expenses	<u>6,192</u>	<u>6,667</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 318,736</u></b>	<b><u>\$ 378,461</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 7,668	\$ 9,283
Deferred revenue (Note 3)	<u>25,865</u>	<u>35,150</u>
	<b>33,533</b>	<b>44,433</b>
<b>NET ASSETS</b>		
Unrestricted	<u>285,203</u>	<u>334,028</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 318,736</u></b>	<b><u>\$ 378,461</u></b>

**APPROVED ON BEHALF OF THE BOARD:**

Director \_\_\_\_\_

Director \_\_\_\_\_

See Notes to Financial Statements

**TEN OAKS PROJECT**  
**AUDITED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>REVENUE</b>		
Fundraising	\$ 19,936	\$ 41,696
Donations	191,296	258,564
Grants and contributions	96,000	115,606
Camp fees	233,499	173,406
Interest and other	<u>0</u>	<u>326</u>
	<u>540,731</u>	<u>589,598</u>
<b>EXPENSES</b>		
Human resources	304,238	257,820
Programming	43,297	37,670
Office and general	25,043	20,688
Occupancy costs and site rentals	154,284	133,421
Fundraising	19,945	11,641
Insurance	12,743	12,000
Professional fees	27,920	12,880
Outreach and promotion	<u>2,086</u>	<u>108</u>
	<u>589,556</u>	<u>486,228</u>
<b>EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ <u>(48,825)</u></b>	<b>\$ <u>103,370</u></b>

See Notes to Financial Statements

**TEN OAKS PROJECT**  
**AUDITED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>UNRESTRICTED</b>		
<b>Balance, beginning of year</b>	<b>\$ 334,028</b>	<b>\$ 230,658</b>
Excess / (deficiency) of revenues over expenditures for the year	<u>(48,825)</u>	<u>103,370</u>
<b>Balance, end of year</b>	<b><u>\$ 285,203</u></b>	<b><u>\$ 334,028</u></b>

See Notes to Financial Statements

**TEN OAKS PROJECT**  
**AUDITED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Excess / (deficiency) of revenues over expenditures for the year	\$ (48,825)	\$ 103,370
Cash flows from current operating items	<u>18,885</u>	<u>(3,600)</u>
	<u>(29,940)</u>	<u>99,770</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net guaranteed investment certificates redeemed	<u>12,671</u>	<u>5,457</u>
<b>NET INCREASE / (DECREASE) IN CASH DURING THE YEAR</b>	<b>(17,269)</b>	<b>105,227</b>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>267,764</b></u>	<u><b>162,537</b></u>
<b>CASH, END OF YEAR</b>	<u><b>\$ 250,495</b></u>	<u><b>\$ 267,764</b></u>
<b>REPRESENTED BY:</b>		
Cash	<u><b>\$ 250,495</b></u>	<u><b>\$ 267,764</b></u>

See Notes to Financial Statements

**TEN OAKS PROJECT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. THE ORGANIZATION**

Ten Oaks Project (the "Organization") was incorporated as a not-for-profit corporation without share capital under the Canada Corporation's Act. The Organization is exempt from income tax in Canada as a registered Charitable organization under the Income Tax Act (Canada).

The Organization engages and connects children and youth from lesbian, gay, bisexual, trans, two-spirit and queer communities.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**a. Capital assets and change in accounting policy**

The Organization capitalizes certain property and equipment purchases with a lifespan greater than one year and recognizes the expense over the estimated useful life of the asset. Previously, property and equipment purchases were expensed in the period they occurred in accordance with the accounting guidelines for non-for-profit entities with an average gross revenue for the past two years of under \$500,000. This represents a change in accounting policy and is applied retrospectively.

The Organization does not have any capital assets that are not fully amortized in the current and prior year.

**b. Revenue recognition**

The Organization follows the deferral method of revenue recognition. Under the deferral method, amounts received in the year for expenses to be incurred in the following year are recorded as deferred revenue.

The Organization's principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

i) Unrestricted grants and donations are recognized as revenue when they are received. Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.

ii) Fundraising and event revenue is recognized in the period in which the event is held.

iii) Investment income is recognized as revenue when earned.



**TEN OAKS PROJECT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Investments**

The Organization carries its investments at fair value. Unrealized gains and losses are recorded as part of investment income.

**d. 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**e. Financial instruments**

The carrying value of cash, accounts receivable, short-term investments, accounts payable and deferred revenue approximates their fair value because of the relatively short period to maturity of the instruments. Management is of the opinion that the Organization is not exposed to significant interest, currency or credit risks arising from the above financial instruments.

**f. Volunteer services**

The Organization operates in part through volunteer services. Since these services are not normally purchased by the Organization, and because of the difficulty of determining their fair value, these volunteer services are not recognized in these financial statements

**3. DEFERRED REVENUE**

Deferred revenue consists of camp fees and project grants that will be recognized in the subsequent period as they are earned.

**4. FINANCIAL RISK MANAGEMENT POLICY**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at December 31, 2023:

**Credit risk**

Credit risk associated with investments is minimized by investing these assets in guaranteed investment certificates. Credit risk associated with accounts receivables is minimized by regular evaluation of the credibility of debtors. The Organization must make estimates in respect of the allowance for doubtful accounts.

**TEN OAKS PROJECT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**4. FINANCIAL RISK MANAGEMENT POLICY (Continued)**

**Liquidity risk**

The Organization manages its liquidity risk by regularly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable are normally paid within 30 days.

**Currency risk**

The Organization's functional currency is the Canadian dollar. It does not enter into foreign currency transactions and does not use foreign exchange forward contracts. At December 31, 2023, the Organization had no investments exposed to currency risk.

**Interest rate risk**

The Organization is exposed to interest rate risk with regard to its cash and investments. Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations. Investments are not exposed to significant interest rate risk due to their short-term nature

**5. COMMITMENTS**

The Organization has entered a lease for a shared office space to August 31, 2025. There is an option to extend the agreement to August 31, 2030. The Organization is responsible for 31.8% of all office space costs including rent. Consequently, the Organization's monthly obligation for basic rental payments is \$970 plus HST, along with additional rent for operating costs which are estimated annually.

The Organization has a commitment for a 2024 camp rental in July for a cost of \$35,000.

The Organization has a commitment for premises rental for training purposes for \$13,560.