

**FINANCIAL STATEMENTS OF  
BOYS & GIRLS CLUBS OF  
KAWARTHA LAKES FOUNDATION**

**March 31, 2021**

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**Baker Tilly KDN LLP**  
237 Kent Street West  
Lindsay, ON  
K9V 2Z3

**D:** 705.324.5031  
**F:** 705.328.3121  
lindsay@bakertilly.ca  
[www.bakertilly.ca](http://www.bakertilly.ca)

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Directors of  
Boys & Girls Clubs of Kawartha Lakes Foundation

We have reviewed the accompanying financial statements of Boys & Girls Clubs of Kawartha Lakes Foundation that comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Boys & Girls Clubs of Kawartha Lakes Foundation as at March 31, 2021, 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.

Chartered Professional Accountants  
Licensed Public Accountants

Lindsay, Ontario  
June 17, 2021

#### **ASSURANCE • TAX • ADVISORY**

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**BOYS & GIRLS CLUBS OF KAWARTHA LAKES  
FOUNDATION**  
STATEMENT OF FINANCIAL POSITION  
As at March 31, 2021

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	225,451	100,012
Accounts receivable (note 4)	4,228	5,076
Prepaid expenses	6,309	3,709
Short term investments (note 6)	32,000	49,724
	267,988	158,521
<b>Loans receivable - Boys &amp; Girls Clubs of Kawartha Lakes (note 5)</b>	25,000	25,000
<b>Investments (note 6)</b>	421,355	388,627
	714,343	572,148
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	3,812	3,968
Deferred revenue	34,034	40,855
Amount payable to Boys & Girls Clubs of Kawartha Lakes (note 7)	7,687	16,403
	45,533	61,226
<b>Net assets</b>		
Internally Restricted (note 9)	445,071	445,071
Unrestricted	223,739	65,851
	668,810	510,922
	714,343	572,148

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

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## STATEMENT OF CHANGES IN NET ASSETS For the year ended March 31, 2021

	Internally Restricted (note 9) \$	Unrestricted \$	Total 2021 \$	Total 2020 \$
<b>Balance - beginning of year</b>	445,071	65,851	510,922	460,128
Excess of revenues over expenses for the year	-	157,888	157,888	50,794
<b>Balance - end of year</b>	445,071	223,739	668,810	510,922

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

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## STATEMENT OF OPERATIONS For the year ended March 31, 2021

	2021	2020
	\$	\$
<b>Revenues</b>		
Donations and bequests	186,980	275,732
Fundraising projects - net (note 10)	72,462	125,940
Investment income (note 6)	17,614	16,531
Unrealized gains(losses) on investments	57,327	(30,090)
Grants	-	10,000
	<u>334,383</u>	<u>398,113</u>
<b>Expenses</b>		
Advertising and promotion	330	5,960
Professional fees	3,295	5,858
Supplies and miscellaneous	9,522	12,876
Travel	-	146
Salaries and benefits	81,861	67,269
	<u>95,008</u>	<u>92,109</u>
<b>Excess of revenues over expenses before undernoted items</b>	<u>239,375</u>	<u>306,004</u>
Contributions to Boys & Girls Clubs of Kawartha Lakes		
Operating (note 7)	112,274	203,329
Capital (note 7)	1,095	51,881
Contributions from Boys & Girls Clubs of Kawartha Lakes - operating (note 7)	<u>(31,882)</u>	<u>-</u>
	<u>81,487</u>	<u>255,210</u>
<b>Excess of revenues over expenses for the year</b>	<u>157,888</u>	<u>50,794</u>

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

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## STATEMENT OF CASH FLOWS For the year ended March 31, 2021

	2021	2020
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	157,888	50,794
Items not affecting cash:		
Unrealized losses(gains) on investments	(57,327)	30,090
	100,561	80,884
Change in non-cash working capital items		
Decrease in accounts receivable	848	4,126
Increase in prepaid expenses	(2,600)	(3,696)
Increase (decrease) in accounts payable and accrued liabilities	(155)	88
Increase (decrease) in deferred revenue	(6,821)	15,585
	91,833	96,987
<b>Investing activities</b>		
Repayment of loans receivable - Boys & Girls Clubs of Kawartha Lakes	-	42,533
Purchase of investments	(15,000)	(137,429)
Proceeds on maturity of investments	57,322	69,063
	42,322	(25,833)
<b>Financing activity</b>		
Advances from Boys & Girls Clubs of Kawartha Lakes	(8,716)	(20,448)
<b>Increase in cash</b>	<b>125,439</b>	<b>50,706</b>
<b>Cash - beginning of year</b>	<b>100,012</b>	<b>49,306</b>
<b>Cash - end of year</b>	<b>225,451</b>	<b>100,012</b>

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

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2021

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### 1. NATURE OF ACCOUNTING ENTITY

Boys & Girls Clubs of Kawartha Lakes Foundation (the Foundation) is a not-for-profit registered charity incorporated without share capital under the laws of Ontario and therefore is not subject to income taxes.

### 2. PURPOSE OF THE FOUNDATION

The purpose of the Foundation is to support the aims of the Boys and Girls Clubs of Kawartha Lakes (the Club) by acquiring the necessary financial resources to meet local service needs.

### 3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

#### (a) Revenue recognition

The Foundation follows the deferral method of accounting for contributions which includes grants, fundraising and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

Investment income is recognized when earned.

#### (b) 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.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, the fair value of certain assets; impairment of assets; revenues; and allowance for doubtful accounts. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2021

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### 3. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (c) *Contributed services*

Volunteers contribute a significant number of hours per year to assist the Boys & Girls Clubs of Kawartha Lakes Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### (d) *Financial instruments*

##### (i) *Measurement of financial instruments*

The Foundation initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Foundation subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable, investments and loans receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and amounts payable to Boys & Girls Clubs of Kawartha Lakes.

Financial assets measured at fair value include mutual funds.

##### (ii) *Impairment*

For financial assets measured at cost or amortized cost, the Foundation determines whether there are indications of possible impairment. When there is an indication of impairment, and the Foundation 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 excess of revenues over expenses. 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 excess of revenues over expenses.



# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended March 31, 2021

## 4. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Contributions receivables	2,273	2,827
Accrued interest receivable	1,955	2,249
	4,228	5,076

## 5. LOANS RECEIVABLE - BOYS & GIRLS CLUBS OF KAWARTHA LAKES

	2021	2020
	\$	\$
Loan receivable, no set payment amount, no interest	25,000	25,000
Less principal payments due within one year	-	-
Due beyond one year	25,000	25,000

## 6. INVESTMENTS

	2021	2020
	\$	\$
Guaranteed investment certificates - 2.2% to 3.0% interest paid annually, maturing at various dates from 2021 to 2024	171,297	223,269
Mutual funds	282,058	215,082
	453,355	438,351
Guaranteed investment certificates maturing within one year	(32,000)	(49,724)
	421,355	388,627

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2021

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### 7. AMOUNTS DUE FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS

- (a) During the year, the Foundation entered into transactions with the following related party:

Boys & Girls Clubs of Kawartha Lakes, a corporation with common management and designated as beneficiary of fundraising in objects of the corporation

- (b) Advances from related party

	2021	2020
	\$	\$
Boys & Girls Clubs of Kawartha Lakes	7,687	16,403

Advances are unsecured, non-interest bearing with no specific terms of repayment.

- (c) Transactions

i) In accordance with the Foundation's purpose as described in note 2, during the year, the Foundation contributed \$112,274 to the operating activities of the Club (2020 - \$203,329), and \$1,095 for capital purchases (2020 - \$51,881). The Club contributed \$31,882 (2020 - NIL) back to the Foundation to cover cost of wages during the COVID-19 pandemic.

ii) In 2019, the Foundation advanced the Club \$25,000 as funding required to finance capital projects in the form of a non-interest bearing demand loan. The balance is included in loans receivable.

### 8. COVID - 19 PANDEMIC

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Foundation's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Foundation's operations.

The full extent of the impact of this outbreak and related containment measures on the Foundation's operations cannot be reliably estimated at this time.

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2021

### 9. RESTRICTIONS ON NET ASSETS

The Board of Directors has internally restricted net assets as follows:

#### Investment Fund

The Board of Directors has established an Investment Fund with the original contributions received from the Boys & Girls Clubs of Kawartha Lakes. These contributions originated from bequests previously received by the Club. Bequests are added to the investment fund unless otherwise designated by the donor and a portion of interest earned on these resources may be added to the fund each year.

These internally restricted resources are not available for other purposes without approval of the Board of Directors.

### 10. FUNDRAISING PROJECTS

Fundraising projects during the year were as follows:

	2021 Revenues \$	2021 Expenses \$	2021 Net Revenues \$	2020 Net Revenues \$
Golf Tournament	31,415	7,093	24,322	40,122
Dream Ball	22,482	1,010	21,472	-
Youth Awards	15,500	4,579	10,921	-
Bingo Bingo	10,534	-	10,534	14,214
Nevada	5,373	3,410	1,963	19,180
Other	-	-	-	3,966
Third Party Events	3,250	-	3,250	27,930
Baseball Tournament	-	-	-	2,038
Boots and Bling	-	-	-	18,490
	88,554	16,092	72,462	125,940

# BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2021

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### 11. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) *Liquidity risk*

The Foundation does have a liquidity risk in the accounts payable and accrued liabilities. Liquidity risk is the risk that the Foundation cannot repay its obligations when they become due to its creditors. In the opinion of management the liquidity risk exposure to the Foundation is low and is not material.

(b) *Credit risk*

The Foundation does have credit risk in accounts receivable and loans receivable from the Boys and Girls Clubs of Kawartha Lakes. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. In the opinion of management the credit risk exposure to the Foundation is low and is not material.

(c) *Market risk*

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market.

(i) *Interest rate risk*

The Foundation is exposed to interest rate risk due to the fixed interest rates on their investments. Changes in the interest rates may cause fluctuations in fair value of these investments.

(ii) *Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market price of a similar instrument. The Foundation is exposed to price risk on investments in mutual funds. In the opinion of management the price risk exposure to the organization is low..