

FINANCIAL STATEMENTS OF

**BOYS & GIRLS CLUBS OF
KAWARTHA LAKES FOUNDATION
(Operating as BGC Kawarthas Foundation)**

March 31, 2024

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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 (operating as BGC Kawarthas Foundation) that comprise the statement of financial position as at March 31, 2024, 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, 2024, 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 14, 2024

ASSURANCE • TAX • ADVISORY

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BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	2024	2023
	\$	\$
ASSETS		
Current assets		
Cash	112,339	190,221
Accounts receivable (note 4)	9,471	2,906
Prepaid expenses	7,007	5,440
Short term investments (note 6)	65,038	37,000
	193,855	235,567
Loans receivable - Boys & Girls Clubs of Kawartha Lakes (note 5)	-	25,000
Investments (note 6)	561,065	505,691
	754,920	766,258
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	4,113	4,850
Deferred revenue	175,718	185,793
Due to related party (note 7)	8,078	8,436
	187,909	199,079
Net assets		
Internally Restricted (note 8)	445,071	445,071
Unrestricted	121,940	122,108
	567,011	567,179
	754,920	766,258

The accompanying notes are an integral part of these financial statements

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2024

	Internally Restricted (note 8) \$	Unrestricted \$	Total 2024 \$	Total 2023 \$
Balance - beginning of year	445,071	122,108	567,179	648,710
Deficiency of revenues over expenses for the year	-	(168)	(168)	(81,531)
Balance - end of year	445,071	121,940	567,011	567,179

The accompanying notes are an integral part of these financial statements

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

	2024 \$	2023 \$
Revenues		
Donations	193,571	232,371
Fund raising projects - net (note 9)	144,043	118,142
Investment income	24,689	15,566
Unrealized gains (losses) on investments	15,879	(22,719)
Realized gains (losses) on investments	5,032	(4,017)
	<u>383,214</u>	<u>339,343</u>
Expenses		
Wages and benefits	108,081	97,266
Supplies and miscellaneous	19,744	10,627
Professional fees	11,568	8,315
Advertising and promotion	5,344	1,927
Travel	243	24
	<u>144,980</u>	<u>118,159</u>
Excess of revenues over expenses before undernoted items	<u>238,234</u>	<u>221,184</u>
Other expenses		
Contributions to Boys & Girls Clubs of Kawartha Lakes		
Operating (note 7)	238,402	238,047
Tangible capital assets (note 7)	-	64,668
	<u>238,402</u>	<u>302,715</u>
Deficiency of revenues over expenses for the year	<u>(168)</u>	<u>(81,531)</u>

The accompanying notes are an integral part of these financial statements

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

	2024 \$	2023 \$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Deficiency of revenues over expenses for the year	(168)	(81,531)
Items not affecting cash		
Unrealized gains on investments	(15,879)	22,719
Realized losses on investments	(5,032)	4,017
	(21,079)	(54,795)
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	(6,565)	1,765
Decrease (increase) in prepaid expenses	(1,567)	2,554
Increase (decrease) in accounts payable and accrued liabilities	(737)	1,054
Increase (decrease) in deferred revenue	(10,075)	108,882
Decrease in amount payable to Boys & Girls Clubs of Kawartha Lakes	(358)	(5,979)
	(40,381)	53,481
Investing activities		
Repayment of loan receivable - Boys & Girls Clubs of Kawartha Lakes	25,000	-
Purchase of investments	(207,877)	(203,475)
Proceeds on sale of investments	145,376	146,700
	(37,501)	(56,775)
Decrease in cash	(77,882)	(3,294)
Cash - beginning of year	190,221	193,515
Cash - end of year	112,339	190,221

The accompanying notes are an integral part of these financial statements

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

1. NATURE OF OPERATIONS

Boys & Girls Clubs of Kawartha Lakes 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 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) 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.

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) *Financial instruments*

(i) *Measurement of financial instruments*

The Foundation initially measures its financial assets and financial 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 its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in net income.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to related party.

Financial assets measured at fair value include mutual funds .

(ii) *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement operations up to the amount of the previously recognized impairment.

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

4. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Fundraising receivables	2,316	2,161
Accrued Interest Receivable	7,155	745
	<u>9,471</u>	<u>2,906</u>

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

	2024	2023
	\$	\$
Loan receivable, non-interest bearing, no fixed terms of repayment	-	25,000

6. INVESTMENTS

	2024	2023
	\$	\$
Guaranteed investment certificates - 2.29% to 5.6% interest paid annually, maturing at various dates from 2024 to 2029	258,416	162,142
Mutual funds	367,687	380,549
	626,103	542,691
Guaranteed investment certificates maturing within one year	(65,038)	(37,000)
	<u>561,065</u>	<u>505,691</u>

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

7. AMOUNTS DUE FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS

(a) The Foundation has the following related party:

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

(b) Amounts payable to the Boys & Girls Clubs of Kawartha Lakes 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 \$238,402 to the operating activities of the Club (2022 - \$238,047), and Nil for tangible capital asset purchases (2023 - \$64,668).

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 was repaid in full in the year and was previously included in loans receivable.

8. 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.

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

9. FUNDRAISING PROJECTS

Fundraising projects during the year were as follows:

	2024 Revenues \$	2024 Expenses \$	2024 Net Revenues \$	2023 Net Revenues \$
Golf Tournament	71,567	22,141	49,426	38,204
Dream Ball	101,138	56,611	44,527	40,958
Youth Awards	14,750	4,988	9,762	10,802
Bingo Bingo	17,885	-	17,885	17,800
Nevada	5,988	3,457	2,531	2,463
Other	19,912	-	19,912	7,915
	231,240	87,197	144,043	118,142

10. FINANCIAL INSTRUMENTS

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) *Credit risk*

The Foundation does have credit risk in its cash, 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. The Foundation places its cash and investments in federally insured institutions. Some of these amounts exceed the Canada Deposit Insurance Corporation's insurance limit. In the opinion of management the credit risk exposure to the Foundation is low and is not material.

BOYS & GIRLS CLUBS OF KAWARTHA LAKES FOUNDATION

(Operating as BGC Kawarthas Foundation)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

10. FINANCIAL INSTRUMENTS, continued

(b) *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.

(c) *Market risk*

The Foundation's investments in mutual funds exposes the Foundation to market risk since these equity investments are subject to price fluctuations in the open 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.