

**Boys and Girls Club of Durham**  
**Financial Statements**  
*December 31, 2023*

# Boys and Girls Club of Durham Contents

*For the year ended December 31, 2023*

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To the Members of Boys and Girls Club of Durham:

## Opinion

We have audited the financial statements of Boys and Girls Club of Durham (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, 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 Opinion

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 opinion.

## Other Matter

The financial statements of the Boys and Girls Club of Durham for the year ended December 31, 2022 were audited by another auditor who expressed a qualified opinion on those statements on June 28, 2023.

## 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 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.

Those charged with governance are responsible for overseeing the Organization'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 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 control that we identify during our audit.

Mississauga, Ontario

October 12, 2024

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

# Boys and Girls Club of Durham Statement of Financial Position

*As at December 31, 2023*

|  | <b>2023</b>      | <b>2022</b> |
|--|------------------|-------------|
| <b>Assets</b>  |                  |             |
| <b>Current</b>   |                  |             |
| Cash   | 697,660          | 449,650     |
| Restricted cash (Note 3)   | 130,489          | 126,877     |
| Investments (Note 4)   | 264,782          | 248,789     |
| Government funding receivable                                    | 67,664           | 300,782     |
| Accounts receivable  | 104,389          | 79,802      |
| Sales taxes recoverable  | 27,852           | 34,954      |
| Prepaid expenses   | 28,918           | 40,530      |
|  | <b>1,321,754</b> | 1,281,384   |
| <b>Restricted cash (Note 3)</b>                                  | <b>18,064</b>    | 10,171      |
| <b>Investments (Note 4)</b>                                      | <b>394,358</b>   | 379,713     |
| <b>Capital assets (Note 5)</b>                                   | <b>403,333</b>   | 348,831     |
|  | <b>2,137,509</b> | 2,020,099   |
| <b>Liabilities</b>   |                  |             |
| <b>Current</b>   |                  |             |
| Accounts payable and accrued liabilities                         | 158,784          | 129,684     |
| Deferred revenue   | 151,678          | 180,734     |
| Deferred contributions (Note 6)                                  | 591,871          | 222,759     |
|  | <b>902,333</b>   | 533,177     |
| <b>Deferred contributions related to capital assets (Note 7)</b> | <b>101,104</b>   | 172,259     |
|  | <b>1,003,437</b> | 705,436     |
| <b>Contingencies (Note 14)</b>                                   |                  |             |
| <b>Commitments (Note 11)</b>                                     |                  |             |
| <b>Fund Balances</b>   |                  |             |
| Unrestricted   | 731,841          | 1,038,091   |
| Investments in capital assets                                    | 302,231          | 176,572     |
| Operating Reserve  | 100,000          | 100,000     |
|  | <b>1,134,072</b> | 1,314,663   |
|  | <b>2,137,509</b> | 2,020,099   |

Approved on behalf of the Board of Directors

e-Signed by Kamal Rajani

2024-10-12 05:48:21:21 EST

Director

e-Signed by Antoinette Lewis

2024-10-10 12:48:58:58 EST

Director

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

# Boys and Girls Club of Durham Statement of Operations

*For the year ended December 31, 2023*

|  | <b>2023</b>      | <b>2022</b>      |
|--|------------------|------------------|
| <b>Revenue</b>                                     |                  |                  |
| Grants <i>(Note 6), (Note 7), (Note 10)</i>        | 1,957,668        | 1,894,783        |
| Registration fees                                  | 1,355,215        | 693,657          |
| Investment income (loss)                           | 56,646           | (137)            |
| Donations and fundraising                          | 148,830          | 106,244          |
| Membership fees                                    | 44,593           | 37,068           |
| Rental income                                      | 54,910           | 42,933           |
| Regional Municipality of Durham's Trusteed Program | 48,220           | 55,410           |
| Sponsorship  | -                | 10,616           |
|  | <b>3,666,082</b> | <b>2,840,574</b> |
| <b>Expenses</b>                                    |                  |                  |
| Salaries and benefits                              | 2,607,999        | 1,995,745        |
| MCCSS program expenses <i>(Note 10)</i>            | 373,998          | 438,320          |
| Program supplies                                   | 286,282          | 261,123          |
| Telephone and utilities                            | 112,461          | 97,175           |
| Professional fees                                  | 101,396          | 19,828           |
| Office   | 90,008           | 74,965           |
| Travel   | 89,698           | 21,371           |
| Repairs and maintenance                            | 46,233           | 30,802           |
| Bank charges and interest                          | 41,226           | 28,560           |
| Fundraising  | 32,909           | 23,405           |
| Insurance  | 25,035           | 24,666           |
| Membership fees <i>(Note 12)</i>                   | 10,077           | 10,175           |
| Bad debts  | 725              | 18,100           |
| Amortization                                       | 28,626           | 29,684           |
|  | <b>3,846,673</b> | <b>3,073,919</b> |
| <b>Deficiency of revenue over expenses</b>         | <b>(180,591)</b> | <b>(233,345)</b> |

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

## Boys and Girls Club of Durham Statement of Changes in Fund Balances

*For the year ended December 31, 2023*

|   | <i>Unrestricted</i> | <i>Invested in<br/>Capital Assets</i> | <i>Operating<br/>Reserve</i> | <b>2023</b>      | <i>2022</i> |
|---|---------------------|---------------------------------------|------------------------------|------------------|-------------|
| <b>Fund balances, beginning of year</b>             | <b>1,038,091</b>    | <b>176,572</b>                        | <b>100,000</b>               | <b>1,314,663</b> | 1,548,008   |
| <b>Excess (deficiency) of revenue over expenses</b> | <b>(223,120)</b>    | <b>42,529</b>                         | -                            | <b>(180,591)</b> | (233,345)   |
| <b>Additions to capital assets</b>                  | <b>(83,130)</b>     | <b>83,130</b>                         | -                            | -                | -           |
| <b>Fund balances, end of year</b>                   | <b>731,841</b>      | <b>302,231</b>                        | <b>100,000</b>               | <b>1,134,072</b> | 1,314,663   |

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

# Boys and Girls Club of Durham Statement of Cash Flows

*For the year ended December 31, 2023*

|   | <b>2023</b>      | <b>2022</b>      |
|---|------------------|------------------|
| <b>Cash provided by (used for) the following activities</b> |                  |                  |
| <b>Operating</b>  |                  |                  |
| Deficiency of revenue over expenses                         | (180,591)        | (233,345)        |
| Amortization  | 28,626           | 29,684           |
| Bad debts   | 725              | -                |
| Unrealized (gain) loss on investments                       | (9,065)          | 22,580           |
| Realized (gain) loss on investments                         | (52,308)         | 2,853            |
| Deferred capital contributions                              | (71,155)         | 148,887          |
|   | <b>(283,768)</b> | <b>(29,341)</b>  |
| Changes in working capital accounts                         |                  |                  |
| Accounts receivable   | (25,312)         | 22,597           |
| Government funding receivable                               | 233,118          | 168,326          |
| Government assistance receivable                            | -                | 4,318            |
| Sales taxes recoverable                                     | 7,102            | (17,291)         |
| Prepaid expenses and deposits                               | 11,612           | (28,054)         |
| Accounts payable and accrued liabilities                    | 29,100           | (8,417)          |
| Deferred revenue  | (29,056)         | 116,854          |
| Deferred contributions                                      | 369,112          | 89,898           |
|   | <b>311,908</b>   | <b>318,890</b>   |
| <b>Investing</b>  |                  |                  |
| Purchase of capital assets                                  | (83,128)         | (121,050)        |
| Net change in investments                                   | 30,734           | (9,982)          |
|   | <b>(52,394)</b>  | <b>(131,032)</b> |
| <b>Increase in cash</b>                                     | <b>259,514</b>   | <b>187,858</b>   |
| <b>Cash, beginning of year</b>                              | <b>586,699</b>   | <b>398,840</b>   |
| <b>Cash, end of year</b>                                    | <b>846,213</b>   | <b>586,698</b>   |
| <b>Cash consists of</b>                                     |                  |                  |
| Cash  | 697,660          | 449,650          |
| Restricted cash total                                       | 148,553          | 137,048          |
|   | <b>846,213</b>   | <b>586,698</b>   |

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



**1. Incorporation and nature of the organization**

Boys and Girls Club of Durham (the "Organization") was incorporated without share capital under the Ontario Corporation Act with Letters Patent on January 3, 1989 under the name Eastview Boys' and Girls' Club. The Organization changed its name to Boys and Girls Club of Durham under Supplementary Letters Patent on February 28, 2011. The Organization is a registered charitable organization under the Income Tax Act and is exempt from income taxes.

The Organization provides recreational and social development programs in Durham Region, serving thousands of children and youth each year with programs that address a variety of needs in the community including aquatics, physical activity, mental health, life skills, leadership and more.

The Organization's mandate is to provide a safe, supportive place where children and youth can experience new opportunities, overcome barriers, build positive relationships and develop confidence and skills for life.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

***Fund accounting***

The Organization follows the deferral method of accounting for contributions and reports using fund accounting. The funds reflected in the financial statements are as follows:

The Unrestricted Fund reports the Organization's current operations and to meet unpredictable contingencies or unpredicted shortfalls that could occur should revenue from fundraising or funding agencies drop below anticipated levels. The fund is expected to be maintained at a level not to exceed the cost of six months of operating expenses.

The investment in Capital Assets fund reports the Organization's net investment in capital assets purchased, less accumulated amortization thereon since acquisition and net of deferred capital contributions.

The Operating Reserve Fund reports the Organization's internally restricted funds. This fund is not subject to any externally imposed restrictions. It represents amounts internally restricted by the Organization's Board of Directors to provide financial stability and to manage earnings volatility inherent in certain uncontrollable revenue sources. The Board of Directors monitors the adequacy of this reserve on an annual basis. Interest earned in this fund is unrestricted, and available for use in general operations.

***Cash***

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

The Organization benefits from the receipt of volunteers time and efforts. Due to the difficulty in establishing the fair value of volunteered time, it is not recognized in the financial statements.

**2. Significant accounting policies** *(Continued from previous page)*

***Revenue recognition***

The Organization 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.

Grants, consisting of funding, grants and subsidies subject to externally-imposed restrictions (such as to fund specific expenditures or programs) are deferred and recognized as revenue in unrestricted fund balances in the year the related expenditures are incurred.

Registration fees, including aquatics, after school, camp, and other program-related fees, are recognized as revenue when the related programs are completed. Registration fees received in advance of the period to which they relate are recorded as deferred revenue and recognized as revenue in the unrestricted fund in the period the program relates.

Membership fees, donations, fundraising and sponsorships are recognized as revenue in unrestricted fund balances in the year they are received or receivable, if the amount to be received is reasonably estimable and collection is reasonably assured. Membership fees received in advance of the period to which they relate are recorded as deferred revenue and recognized as revenue in the unrestricted fund in the period the membership relates.

Facility rentals, are recognized as revenue in unrestricted fund balances on the accrual basis, over the period to which the rent relates and collection is reasonably assured. Facility revenue received in advance of the period to which they relate are recorded as deferred revenue and recognized as revenue in the unrestricted fund in the period the rental relates.

Contributions related to capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets and recognized in the capital asset fund in the period the contribution relates.

Investment income includes interest income, dividend income, income distributions, and realized and unrealized investment gains and losses earned on the Organization's short term and long-term investments. Investment income is recognized as revenue when earned in the unrestricted fund in the period the investment income relates.

***Financial instruments***

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined based on published prices. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. The Organization has elected to carry mutual fund investments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost. All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments** *(Continued from previous page)*

**Financial asset impairment**

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; and no asset is individually significant. Management considers various factors in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition. When fair value cannot be reasonably determined, capital assets have been recorded at nominal value.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

|                           | <b>Method</b>     | <b>Rate</b> |
|---------------------------|-------------------|-------------|
| Building and improvements | declining balance | 5 %         |
| Automotive                | declining balance | 25 %        |
| Computer equipment        | declining balance | 20 %        |
| Games and equipment       | declining balance | 20 %        |
| Furniture and fixtures    | declining balance | 20 %        |

**Impairment on Long-lived assets**

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

**Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Amounts due to government ministries are based on annual reviews and reconciliation's as described in Note 8.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

**Pension plan**

The Organization's employee future benefit program consists of a defined contribution pension plan. The Organization's contributions are expensed in the statement of operations in the year in which the services are rendered.

**Boys and Girls Club of Durham**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2023*

**3. Restricted cash**

|   | <b>2023</b>    | <b>2022</b> |
|---|----------------|-------------|
| <b>Current</b>  |                |             |
| Internally restricted - savings account                 | <b>109,985</b> | 106,334     |
| Externally restricted - nevada trust account            | <b>9,319</b>   | 9,319       |
| Externally restricted - housing benefit program account | <b>11,185</b>  | 11,224      |
|   | <b>130,489</b> | 126,877     |
| <b>Non-current</b>                                      |                |             |
| Externally restricted - business investor account       | <b>18,064</b>  | 10,171      |
| <b>Total restricted cash</b>                            | <b>148,553</b> | 137,048     |

***Savings account***

Savings account is cash on deposit for the Organization's internally-restricted Operating Reserve Fund. Funded by the Organization's fundraising activities, it is available for current purposes, but on a restricted basis, requiring approval from the Board of Directors.

***Nevada trust account***

Nevada trust account is funded through break-open ticket sales licensed by the City of Oshawa and regulated under the terms and conditions of the Alcohol and Gaming Commission of Ontario. These funds are available for current purposes, but limited to specific local charitable programs or services and reasonable expenses directly related to the conduct and management of the break-open ticket sales.

***Housing benefit program account***

Housing Benefit Program account is cash on deposit for the Regional Municipality of Durham's Durham Housing Benefit - Rent Supplement Program. Under the terms of the Memorandum of Understanding between the Organization and the Region, all subsidy payments received, and related payments disbursed, must be maintained in a separate bank account. These funds are available for current purposes, but limited to eligible expenses of this specific program.

***Business investor account***

Business investor account is cash on deposit, this account secures the Organization's TD Visa. Under a letter of direction, a permanent hold has been placed on this account by TD Bank. The Organization must maintain a balance in the account equal to the credit extended on its TD Visa and is prohibited from making any withdrawals from the account while it secures the credit card. Cash in this account is excluded from the Organization definition of cash for cash flow purposes, as it is unavailable for current use. As at December 31, 2023, the amount owing on the related credit card was \$Nil (2022 - \$Nil).

**Boys and Girls Club of Durham**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2023*

**4. Investments**

|                       | 2023    | 2022    |
|-----------------------|---------|---------|
| Mutual funds          | 432,050 | 407,583 |
| Term deposits         | 227,090 | 220,919 |
| <hr/>                 |         |         |
|                       | 659,140 | 628,502 |
| Less: current portion | 264,782 | 248,789 |
| <hr/>                 |         |         |
|                       | 394,358 | 379,713 |
| <hr/>                 |         |         |

The term deposits yield interest between 2.25% to 4.25% and mature between June 2024 and November 2024.

The Organization's investment portfolio is allocated as follows: 58% fixed income; 36% equities; and 6% other assets.

**5. Capital assets**

|                           | Cost      | Accumulated<br>amortization | 2023<br>Net book<br>value | 2022<br>Net book<br>value |
|---------------------------|-----------|-----------------------------|---------------------------|---------------------------|
| Building and improvements | 830,120   | 514,199                     | 315,921                   | 261,496                   |
| Automotive                | 41,589    | 35,879                      | 5,710                     | 7,614                     |
| Computer equipment        | 97,191    | 58,681                      | 38,510                    | 47,302                    |
| Games and equipment       | 102,862   | 73,302                      | 29,560                    | 31,878                    |
| Furniture and fixtures    | 82,192    | 68,560                      | 13,632                    | 541                       |
| <hr/>                     |           |                             |                           |                           |
|                           | 1,153,954 | 750,621                     | 403,333                   | 348,831                   |
| <hr/>                     |           |                             |                           |                           |

In the previous year, the fair value of the donated building at the date of the original contribution could not be reasonably determined, and was assigned a nominal value of \$1 for accounting purposes.

**6. Deferred contributions**

Deferred contributions represents restricted contributions received in advance for expenditures that are provided in future years. Changes in the deferred contribution balance are as follows:

|  | 2023        | 2022        |
|--|-------------|-------------|
| Balance, beginning of year                         | 222,759     | 132,861     |
| Amount received during the year                    | 2,255,313   | 2,301,083   |
| Less: Amount recognized as revenue during the year | (1,886,201) | (2,211,185) |
| <hr/>  |             |             |
|  | 591,871     | 222,759     |
| <hr/>  |             |             |

**Boys and Girls Club of Durham**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2023*

**7. Deferred contributions related to capital assets**

Deferred contributions related to capital assets is comprised of unspent grants externally-restricted for capital additions, renovations and repairs, and consist of the following:

|   | 2023     | 2022    |
|---|----------|---------|
| Balance, beginning of year                          | 172,259  | 23,372  |
| Amount received during the year                     | -        | 158,000 |
| Less: amounts recognized as revenue during the year | (71,155) | (9,113) |
|   | 101,104  | 172,259 |

**8. Due to government ministries**

2023                      2022

**Ministry of Children, Community and Social Services ("MCCSS")**

Under the terms of the funding agreement with the MCCSS, the Organization is required to repay to MCCSS any excess of revenue over expenses.

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Total funding for operations          | 373,998   | 407,236   |
| Deduct: Expenses eligible for funding | (373,998) | (407,236) |

-                                      -

**Ministry of Tourism, Culture and Sport ("MTCS")**

Under the terms of the funding agreement with the MTCS, the Organization is required to repay to MCCSS any excess of revenue over expenses

|                                       |           |   |
|---------------------------------------|-----------|---|
| Total funding for operations          | 618,412   | - |
| Deduct: Expenses eligible for funding | (618,412) | - |

-                                      -

**Regional Municipality of Durham**

Under a Memorandum of Understanding with the Regional Municipality of Durham (the Region), the Organization has been appointed to administer the Region's Durham Housing Benefit Rent Supplement Program. Under this agreement, The Region advances a monthly rent subsidy to the Organization for each of the program's eligible participants to subsidize a portion of their monthly rent obligations. Up to 5% of the funds issued may be used by the Organization for the purpose of administering the program.

|                                       |          |   |
|---------------------------------------|----------|---|
| Total MOH funding for operations      | 77,785   | - |
| Deduct: Expenses eligible for funding | (77,785) | - |

-                                      -

|  |   |   |
|--|---|---|
| Balance owing to all government ministries at year end | - | - |
|--|---|---|

**Boys and Girls Club of Durham**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2023*

**9. Pension plan**

The Organization contributes to the defined contribution pension plan of the Boys and Girls Club of Durham Pension Plan. Under this plan, the Organization pays 100% of the contributions based on 5% of employee remuneration. The Organization's contributions are expensed in the year in which the services are rendered and represent its total pension obligation. The pension expense included in salaries and benefits for the year ended December 31, 2023 was \$42,625 (2022 - \$39,208).

**10. Ministry of Children, Community and Social Services Programs**

Funded by the Province of Ontario, the Organization, under contractual agreements with the MCCSS, provides the following services/programs. Total funding received in the current fiscal year for these programs was \$450,129 (2022 - \$415,177). As at December 31, 2023, \$76,131 (2022 - \$Nil) is recorded in deferred contributions to be recognized against expenditures incurred between January 2024 to March 2024.

|  | 2023    | 2022    |
|--|---------|---------|
| <b>Youth Outreach Program (YOW)</b>          |         |         |
| Salaries and benefits                        | 166,398 | 176,187 |
| Training and travel                          | 11,606  | 12,238  |
| Telephone and utilities                      | 3,043   | 2,761   |
| General and administrative                   | 1,034   | 2,346   |
| Program supplies and equipment               | 5,358   | 790     |
| Professional fees                            | -       | 350     |
|  | 187,439 | 194,672 |
| <b>Youth Justice Committee Program (YJC)</b> |         |         |
| Salaries and benefits                        | -       | 51,681  |
| Training and travel                          | -       | 1,224   |
| Telephone and utilities                      | -       | 1,149   |
| General and administrative                   | -       | 1,071   |
| Professional fees                            | -       | 1,000   |
| Program supplies and equipment               | -       | 360     |
|  | -       | 56,485  |
| <b>Extrajudicial Measures Program (EJM)</b>  |         |         |
| Salaries and benefits                        | 56,504  | 54,459  |
| Telephone and utilities                      | 454     | 1,718   |
| Training and travel                          | 507     | 838     |
| General and administrative                   | 1,376   | 814     |
| Professional fees                            | -       | 350     |
| Program supplies and equipment               | -       | 345     |
|  | 58,841  | 58,524  |
| <b>Extrajudicial Sanctions Program (EJS)</b> |         |         |
| Salaries and benefits                        | 122,399 | 121,322 |
| Training and travel                          | 3,332   | 3,245   |
| Telephone and utilities                      | 634     | 1,783   |
| General and administrative                   | 1,353   | 1,366   |
| Program supplies and equipment               | -       | 573     |
| Professional fees                            | -       | 350     |
|  | 127,718 | 128,639 |
|  | 373,998 | 438,320 |

**10. Ministry of Children, Community and Social Services Programs** *(Continued from previous page)*

**Youth Outreach Program (YOW)**

The Youth Outreach Program is a prevention and intervention program that focuses on at-risk and high-risk youth who live in an identified priority community and/or belong to a distinct priority population. The program is designed to help these young persons and their families better navigate and connect with services and pro-social opportunities in their communities to improve youth outcomes. The program's target population is youths aged 12 to 21 years, but may at the service provider's discretion, serve at-risk and high-risk youths aged 6 to 11, and up to the age of 25.

**Youth Justice Committee Program (YJC)**

The Youth Justice Committee Program provides an alternative to formal court proceedings for young persons alleged to have committed certain offences. Legislated under the Youth Criminal Justice Act (Canada), the program involves trained community members who meet with persons harmed, accused young people, and their parents/caregivers to negotiate an appropriate way for the young person to make amends for their actions.

**Extrajudicial Measures Program (EJM)**

Designed for youth that fall under the Youth Criminal Justice Act, this program provides an alternative approach to the court system for youth aged 12 to 17 years who are alleged to have committed certain offences and meet the eligibility requirements of the program. This program is intended to divert young persons away from criminal proceedings and into a community-based program of rehabilitation.

**Extrajudicial Sanctions Program (EJS)**

This program operates within the criminal justice process for youth, and provides an opportunity for youth 12 to 17 years of age who have committed minor offenses to take responsibility for their actions and actively participate in undoing some of the wrong that has been done. This program deals with young persons who have committed an offence that cannot be adequately dealt with by way of police warning, caution or referral to the Extrajudicial Measures Program (EJM) due to the serious nature of the offence, the number of previous offences committed by the young person, or any other aggravating circumstances.

**11. Commitments**

Under a Memorandum of Understanding entered into in 2007 with the Corporation of the City of Oshawa (the City), the Organization leases the Northview Community Centre (a shared facility) for the nominal license fee of \$1 per annum.

The Organization's building, municipally described as 433 Eulalie Avenue, Oshawa, is situated on land owned by the City. The Organization leases this land from the City pursuant to a licence agreement dated July 30, 1992. This license agreement was amended September 24, 2003 to include additional lands located in Eastview Park, enabling the Organization to operate its day nursery program, for the nominal license fee of \$2 per annum.

**12. Boys and Girls Clubs of Canada**

The Organization is a member club of Boys and Girls Clubs of Canada ("BGCC"). There is a membership agreement between BGCC and all Canadian member clubs whereby BGCC provides resources and capabilities to perform functions for member Organizations to aid in them achieving their purposes, which each club has autonomy for the administration of their programs. BGCC also provides various rights and privileges to their member Organizations, such as support services, right to participate in voting and be identified in the Boys and Girls Club Movement.

The Organization paid a membership fee of \$10,077 (2022 - \$8,089) to BGCC during the year. The membership fee is based on a percentage of their annual operating revenues.



**13. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit Risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

***Interest rate and other price risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may influence the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Organization is exposed to interest rate and other price risk in respect to its investment portfolio. The Organization manages its risk by investing only in high quality bonds, stocks and mutual funds with a registered securities dealer. In addition, the Board of Directors reviews any significant changes to the investment mix.

**14. Contingencies**

Upon completion of annual reviews and reconciliations of funding provided, Ministry of Children, Community and Social Services Programs, (MCCSS), Ministry of Tourism, Culture and Sport (MTCS) and Regional Municipality of Durham, may retroactively adjust funding provided in a prior year. Annual reviews for the fiscal years ending December 31, 2023 have not been completed by MCCSS, MTCS and Regional Municipality of Durham, and as a result, future adjustments may be required as a result of this review.

**15. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.