

TRAILS YOUTH INITIATIVES INC.

FINANCIAL STATEMENTS SEPTEMBER 30, 2023

CONTENTS	PAGE
Independent auditor's report	1 - 2
Statement of fund operations	3
Statement of changes in net assets	4
Statement of financial position	5
Statement of cash flows	6
Notes to financial statements	7 - 13



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Trails Youth Initiatives Inc.

Opinion:

We have audited the accompanying financial statements of Trails Youth Initiatives Inc., which comprises the statement of financial position as at September 30, 2023, the statements of fund operations, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2023, and the statements of fund operations, changes in net assets, and 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.

Responsibilities of Management and Those Charged With Governance 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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)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 it 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.



**CHARTERED PROFESSIONAL ACCOUNTANTS
AUTHORIZED TO PRACTISE PUBLIC ACCOUNTING BY THE
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO**

Aurora, Ontario
January 23, 2024

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF FUND OPERATIONS
SEPTEMBER 30, 2023

Page 3

	Note Reference	General Fund	D. Dion Memorial Fund	Total 2023	Total 2022
		\$	\$	\$	\$
REVENUES					
Donations	3	1,007,427	-	1,007,427	1,029,478
Fundraising		228,508	-	228,508	325,571
Other income		36,538	-	36,538	41,717
Rental income		12,240	-	12,240	12,000
Investment income		271,686	10,149	281,835	375,397
Realized gain on investments		-	-	-	122,853
Unrealized gain/(loss) on investments		515,988	63,123	579,111	(1,000,640)
		2,072,387	73,272	2,145,659	906,376
PROGRAM EXPENDITURES					
Salaries and wages		831,560	-	831,560	625,584
Food		121,437	-	121,437	103,099
Facility		95,081	-	95,081	107,638
Transportation		22,404	-	22,404	17,893
Bursary payments		184,700	-	184,700	185,580
Insurance		26,736	-	26,736	24,505
Programming		66,550	-	66,550	63,992
Amortization		56,180	-	56,180	59,406
		1,404,648	-	1,404,648	1,187,697
FUNDRAISING AND ADMINISTRATION					
Fundraising salaries		221,770	-	221,770	215,580
Direct fundraising expenses		6,543	-	6,543	30,937
Administrative salaries		34,101	-	34,101	51,157
Office		50,184	-	50,184	31,097
Insurance		3,100	-	3,100	2,952
Professional fees		38,842	-	38,842	34,369
Administration fees		9,140	-	9,140	11,878
Investment management fees		33,063	2,452	35,515	33,422
		396,743	2,452	399,195	411,392
TOTAL EXPENDITURES		1,801,391	2,452	1,803,843	1,599,089
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES		270,996	70,820	341,816	(692,713)

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF CHANGES IN NET ASSETS
SEPTEMBER 30, 2023

Page 4

	General Fund	D. Dion Memorial Fund	2023	2022
	\$	\$	\$	\$
NET ASSETS - Beginning of year	8,189,999	435,471	8,625,470	9,318,183
Excess/(deficiency) of revenues over expenditures	270,996	70,820	341,816	(692,713)
	8,460,995	506,291	8,967,286	8,625,470
Interfund transfer	180,000	(180,000)	-	-
NET ASSETS - End of year	8,640,995	326,291	8,967,286	8,625,470

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

Page 5


	Note Reference	General Fund	D. Dion Memorial Fund	2023	2022
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and equivalents	4	510,072	-	510,072	242,954
Marketable securities		6,498,069	331,684	6,829,753	6,488,950
Amounts receivable		12,783	-	12,783	28,766
Prepaid expenses		-	-	-	26,386
		7,020,924	331,684	7,352,608	6,787,056
Investments		848,266	-	848,266	1,045,270
Capital assets	5	877,248	-	877,248	888,608
TOTAL ASSETS		8,746,438	331,684	9,078,122	8,720,934
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accruals		72,838	5,393	78,231	84,464
Deferred contributions	6	32,605	-	32,605	11,000
		105,443	5,393	110,836	95,464
NET ASSETS					
Invested in capital assets		877,248	-	877,248	888,608
Externally restricted		-	326,291	326,291	435,471
Unrestricted		7,763,747	-	7,763,747	7,301,391
		8,640,995	326,291	8,967,286	8,625,470
TOTAL LIABILITIES AND NET ASSETS		8,746,438	331,684	9,078,122	8,720,934

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

Approved on behalf of the Board:

DocuSigned by:

 ZB150F4E811D43F...
 Director

DocuSigned by:

 24CDBFF5C583478...
 Director

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2023

Page 6

	General Fund	D. Dion Memorial Fund	2023	2022
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Excess/(deficiency) of revenues over expenditures	270,996	70,820	341,816	(692,713)
Expenditures not requiring cash:				
Unrealized (gain)/loss	(515,988)	(63,123)	(579,111)	1,000,640
Amortization	56,180	-	56,180	59,406
	(188,812)	7,697	(181,115)	367,333
Non-cash working capital items:				
Amounts receivable	15,983	-	15,983	(6,452)
Prepaid expenses	26,386	-	26,386	(26,386)
Accounts payable and accruals	(8,684)	2,451	(6,233)	(48,094)
	(155,127)	10,148	(144,979)	286,401
FINANCING ACTIVITIES				
Interfund transfers	180,000	(180,000)	-	-
Deferred contributions	21,605	-	21,605	(1,000)
	201,605	(180,000)	21,605	(1,000)
INVESTING ACTIVITIES				
Marketable securities	68,456	169,852	238,308	407,595
Investments	197,004	-	197,004	(935,718)
Acquisition of capital assets	(44,820)	-	(44,820)	(38,617)
	220,640	169,852	390,492	(566,740)
INCREASE/(DECREASE) IN CASH AND EQUIVALENTS	267,118	-	267,118	(281,339)
CASH AND EQUIVALENTS - Beginning of year	242,954	-	242,954	524,293
CASH AND EQUIVALENTS - End of year	510,072	-	510,072	242,954

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. PURPOSE OF THE ORGANIZATION

Trails Youth Initiatives Inc. was established to help vulnerable youth in the Greater Toronto Area reach their full potential. The Organization's four-year program has helped hundreds of children become active participants in their communities. The Organization was incorporated without share capital on May 4, 1992, qualifies as a charitable organization under the Income Tax Act, and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation:

These financial statements have been prepared using Canadian accounting standards for Not-for-Profit Organizations.

b) Revenue recognition:

The D. Dion Memorial Fund contributions are recognized in accordance with the restricted fund method where restricted contributions are recognized as revenues when earned and collectibility is reasonably assured. Restricted contributions for which there is no corresponding restricted fund are recognized in the general fund in accordance with the deferral method where contributions are recognized as revenues in the year in which the related expenditures are incurred.

All other revenues, including fundraising, rental income and unrestricted contributions, are recognized as revenue of the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized when received or receivable and collection is reasonably assured.

c) Fund accounting:

Unrestricted Funds

Revenues and expenditures for ongoing activities, including education expenses, are recorded in the General Fund.

Marketable securities held in the general fund are used for program expenditures or capital investments as per contractual funding agreements or approval for disbursement by the Board of Directors. The marketable securities in this fund are under the custody of CI Institutional Asset Management.

Restricted Funds

D. Dion Memorial Fund was established in memory of Danielle Dion in 2000. The funds are restricted to helping current and former participants of the Organization's program in the continuation of their education. The marketable securities in this fund are under the custody of CI Institutional Asset Management.

In the current year, \$180,000 was transferred to the operating fund to cover current year bursary payments.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Contributed services:

A substantial number of volunteers have made significant contributions of their time to the Organization's operations. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

e) Marketable securities:

Marketable securities held have been designated as held for trading assets by management and are recorded at fair market value with unrealized holding gains and losses adjusted to the applicable statement of fund operations. Fair market value is based on the closing prices from publicly traded stock exchanges.

f) Cash and equivalents:

Cash and equivalents are defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

g) Amortization:

Capital assets are recorded at cost and are being amortized on the diminishing balance basis at the following annual rates -

Building	4%
Computer equipment	30%
Furniture and kitchen equipment	20%
Outdoor operations equipment	30%
Indoor operations equipment	20%
Vehicles	30%
Dock	5%
Paving	8%

In the year of acquisition or disposal, and provided the asset is available for its intended use, amortization is recorded at 50% of the annual rate.

h) Management's 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, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the period. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets, completeness of accounts payable and accruals, deferred contributions, and the allocation of salaries to programming, administration and fundraising expenses based on time spent on various function areas. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period they become known.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial instruments:

The fair values of cash and equivalents, investments, amounts receivable, accounts payable and accruals and deferred contributions are approximately equal to their carrying values.

3. DONATIONS

Donations received are comprised of the following:

	2023	2022
	\$	\$
Individuals	106,217	104,562
Corporations	238,717	194,102
Foundations	456,325	537,128
Board of governors	206,168	193,686
	1,007,427	1,029,478

4. CASH AND EQUIVALENTS

The cash and equivalents are comprised of the following:

	2023	2022
	\$	\$
Cash	286,842	242,954
Canadian short-term investment certificates	223,230	-
	510,072	242,954

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Page 10

5. CAPITAL ASSETS

	2023		2022	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
	\$	\$	\$	\$
Building	1,425,593	675,905	1,425,593	644,668
Computer equipment	2,139	1,647	2,139	1,436
Furniture and kitchen equipment	32,937	18,038	27,094	15,044
Outdoor operations equipment	72,037	54,058	72,037	46,352
Indoor operations equipment	50,563	21,438	50,563	14,157
Vehicles	47,586	37,644	47,586	33,383
Dock	21,736	4,032	21,736	3,100
Paving	38,978	1,559	-	-
	1,691,569	814,321	1,646,748	758,140
Net Book Value		877,248		888,608

6. DEFERRED CONTRIBUTIONS

The changes to deferred contributions during the year were as follows:

	2023	2022
	\$	\$
Balance - beginning of year	11,000	12,000
Externally restricted revenues received	28,200	-
Recognized as revenue in General Fund	(6,595)	(1,000)
	32,605	11,000

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

6. DEFERRED CONTRIBUTIONS (continued)

The deferred contributions as at September 30, 2023 consist of the following:

	2023	2022
	\$	\$
Bob and Joan Northey Bursary	10,000	11,000
Rotary Toronto Eglinton for investments in capital assets	22,605	-
	32,605	11,000

The Bob and Joan Northey Bursary was established in 2021. The funds are restricted to distributing bursaries of \$1,000 annually to new students of the Organization's bursary programs.

Rotary Toronto Eglinton contributed \$28,200 in 2023 to acquire certain capital assets. These contributions are being recognized as revenue on the same basis as the amortization on the related capital asset.

7. LEASE COMMITMENT

The Organization renewed its lease for the second twenty year term stipulated in the lease. The renewed lease expires on June 30, 2037. If the lease is not in default after this second twenty year term, the Organization has the option to renew the lease for another ten years upon the terms and conditions then prevailing. The minimum annual rentals payable under this long term lease, exclusive of certain operating costs for which the Organization is responsible, are approximately as follows:

	\$
Year ending: September 30, 2024	8,270
September 30, 2025	8,270
September 30, 2026	8,270
September 30, 2027	8,270
September 30, 2028	8,370
September 30, 2029 and subsequent	77,700
	119,150

8. RELATED PARTY TRANSACTIONS

During the year, the Organization received rental income in the amount of \$6,000 (2022 - \$6,000) from the President of the Organization.

These transactions are in the normal course of business and are measured and recorded at the cash exchange amount, which is the amount of monetary consideration established and agreed to by the related parties.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Page 12

9. ALLOCATION OF EXPENDITURES

Salaries and wage costs of \$195,381 (2022 - \$182,848) have been allocated to various function areas based on management's estimate of time spent as follows:

	2023	2022
	\$	\$
Program	102,441	81,671
Fundraising	58,839	50,021
Administration	34,101	51,156
	195,381	182,848

10. CREDIT FACILITY

The Organization has two credit cards with a combined limit of \$20,000. The balance as at September 30, 2023 is \$11,708 (2022 - \$nil).

11. FINANCIAL RISKS AND CONCENTRATION OF RISK

The financial risks and concentration of risks are as follows. There has been no change to the nature of any of the risk exposures from 2022.

a) Credit risk:

The Organization maintains its cash and deposits with a single federally regulated Canadian financial institution.

b) Currency risk:

The Organization is exposed to financial risks as a result of exchange rate fluctuations and the volatility of those rates. The marketable securities in the D. Dion Memorial Fund are denominated in approximately the following foreign currencies: United States - 75% (2022 - 69%) and International - 2% (2022 - 2%). The marketable securities in the General Fund are denominated in approximately the following foreign currencies: United States - 46% (2022 - 35%) and International - 3% (2022 - 4%).

c) Other price risk:

The Organization's marketable securities are invested in various securities and bonds that are publicly traded. Accordingly, these marketable securities are subject to other price risks whereby the future cash flows will fluctuate because of changes in market price and interest markets. A decline in the equity markets will result in a decrease to the fair value of the assets held.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

12. NON-MONETARY TRANSACTIONS

The Organization receives donations-in-kind, accounted for at the market value of contributions on the date of transfer. The total value of non-cash donations received in 2023 was \$25,946 2022 - \$17,327.