

TRAILS YOUTH INITIATIVES INC.

FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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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, 2024, 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, 2024, 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 9, 2025

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF FUND OPERATIONS
SEPTEMBER 30, 2024

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	Note Reference	General Fund	D. Dion Memorial Fund	Total 2024	Total 2023
		\$	\$	\$	\$
REVENUES					
Donations	3	1,247,254	-	1,247,254	1,007,427
Fundraising		261,221	-	261,221	228,508
Other income		38,632	-	38,632	36,538
Rental income		12,000	-	12,000	12,240
Investment income		267,077	54,008	321,085	281,835
Realized gain on investments		37,582	-	37,582	-
Unrealized gain on investments		1,623,137	34,743	1,657,880	579,111
		3,486,903	88,751	3,575,654	2,145,659
PROGRAM EXPENDITURES					
Salaries and wages		905,434	-	905,434	831,560
Food		124,312	-	124,312	121,437
Facility		123,478	-	123,478	95,081
Transportation		16,006	-	16,006	22,404
Bursary payments		-	261,767	261,767	184,700
Insurance		32,155	-	32,155	26,736
Programming		73,804	-	73,804	66,550
Amortization		54,512	-	54,512	56,180
		1,329,701	261,767	1,591,468	1,404,648
FUNDRAISING AND ADMINISTRATION					
Fundraising salaries		239,098	-	239,098	221,770
Direct fundraising expenses		4,844	-	4,844	6,543
Administrative salaries		49,872	-	49,872	34,101
Office		38,067	-	38,067	50,184
Insurance		3,273	-	3,273	3,100
Professional fees		57,721	-	57,721	38,842
Administration fees		12,999	-	12,999	9,140
Investment management fees		38,124	2,370	40,494	35,515
		443,998	2,370	446,368	399,195
TOTAL EXPENDITURES		1,773,699	264,137	2,037,836	1,803,843
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES		1,713,204	(175,386)	1,537,818	341,816

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF CHANGES IN NET ASSETS
SEPTEMBER 30, 2024

	General Fund	D. Dion Memorial Fund	2024	2023
	\$	\$	\$	\$
NET ASSETS - Beginning of year	8,640,995	326,291	8,967,286	8,625,470
Excess/(deficiency) of revenues over expenditures	1,713,204	(175,386)	1,537,818	341,816
NET ASSETS - End of year	10,354,199	150,905	10,505,104	8,967,286

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024

	Note Reference	General Fund	D. Dion Memorial Fund	2024	2023
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and equivalents	4	332,119	-	332,119	510,072
Marketable securities		8,787,333	156,137	8,943,470	6,829,753
Amounts receivable		67,515	-	67,515	12,783
		9,186,967	156,137	9,343,104	7,352,608
Investments		430,339	-	430,339	848,266
Capital assets	5	848,289	-	848,289	877,248
TOTAL ASSETS		10,465,595	156,137	10,621,732	9,078,122
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accruals		74,628	5,232	79,860	78,231
Revenue received in advance		7,542	-	7,542	-
Deferred contributions	6	29,226	-	29,226	32,605
		111,396	5,232	116,628	110,836
NET ASSETS					
Invested in capital assets		848,289	-	848,289	877,248
Externally restricted		-	150,905	150,905	326,291
Unrestricted		9,505,910	-	9,505,910	7,763,747
		10,354,199	150,905	10,505,104	8,967,286
TOTAL LIABILITIES AND NET ASSETS		10,465,595	156,137	10,621,732	9,078,122

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

Approved on behalf of the Board:

Signed by:

 Director

DocuSigned by:

 Director

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2024

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	General Fund	D. Dion Memorial Fund	2024	2023
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Excess/(deficiency) of revenues over expenditures	1,713,204	(175,386)	1,537,818	341,816
Items not requiring cash:				
Unrealized gain	(1,623,137)	(34,743)	(1,657,880)	(579,111)
Amortization	54,512	-	54,512	56,180
	144,579	(210,129)	(65,550)	(181,115)
Non-cash working capital items:				
Amounts receivable	(54,732)	-	(54,732)	15,983
Prepaid expenses	-	-	-	26,386
Accounts payable and accruals	1,790	(161)	1,629	(6,233)
Revenue received in advance	7,542	-	7,542	-
	99,179	(210,290)	(111,111)	(144,979)
FINANCING ACTIVITIES				
Deferred contributions	(3,379)	-	(3,379)	21,605
INVESTING ACTIVITIES				
Marketable securities	(666,127)	210,290	(455,837)	238,308
Investments	417,927	-	417,927	197,004
Acquisition of capital assets	(25,553)	-	(25,553)	(44,820)
	(273,753)	210,290	(63,463)	390,492
INCREASE/(DECREASE) IN CASH AND EQUIVALENTS	(177,953)	-	(177,953)	267,118
CASH AND EQUIVALENTS - Beginning of year	510,072	-	510,072	242,954
CASH AND EQUIVALENTS - End of year	332,119	-	332,119	510,072

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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.

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.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

i) Financial instruments:

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

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

3. DONATIONS

Donations received are comprised of the following:

	2024	2023
	\$	\$
Individuals	148,167	106,217
Corporations	441,976	238,717
Foundations	462,337	456,325
Board of governors	194,774	206,168
	1,247,254	1,007,427

4. CASH AND EQUIVALENTS

The cash and equivalents are comprised of the following:

	2024	2023
	\$	\$
Cash	332,119	286,842
Canadian short-term investment certificates	-	223,230
	332,119	510,072

5. CAPITAL ASSETS

	2024		2023	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
	\$	\$	\$	\$
Building	1,425,593	705,893	1,425,593	675,905
Computer equipment	2,139	1,795	2,139	1,647
Furniture and kitchen equipment	43,258	22,050	32,937	18,038
Outdoor operations equipment	87,269	61,736	72,037	54,058
Indoor operations equipment	50,563	27,263	50,563	21,438
Vehicles	47,586	40,627	47,586	37,644
Dock	21,736	4,917	21,736	4,032
Paving	38,978	4,552	38,978	1,559
	1,717,122	868,833	1,691,569	814,321
Net Book Value		848,289		877,248

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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6. DEFERRED CONTRIBUTIONS

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

	2024	2023
	\$	\$
Balance - beginning of year	32,605	11,000
Externally restricted revenues received	-	28,200
Recognized as revenue in General Fund	(3,379)	(6,595)
	29,226	32,605

The deferred contributions as at September 30, 2024 consist of the following:

	2024	2023
	\$	\$
Bob and Joan Northey Bursary	9,000	10,000
Rotary Toronto Eglinton for investments in capital assets	20,226	22,605
	29,226	32,605

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, 2025	8,270
September 30, 2026	8,270
September 30, 2027	8,270
September 30, 2028	8,370
September 30, 2029	8,680
September 30, 2030 and subsequent	69,020
	110,880

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

8. RELATED PARTY TRANSACTIONS

During the year, the Organization received rental income in the amount of \$6,000 (2023 - \$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.

9. ALLOCATION OF EXPENDITURES

Salaries and wage costs of \$202,309 (2023 - \$195,381) have been allocated to various function areas based on management's estimate of time spent as follows:

	2024	2023
	\$	\$
Program	73,448	102,441
Fundraising	78,989	58,839
Administration	49,872	34,101
	202,309	195,381

10. CREDIT FACILITY

The Organization has two credit cards with a combined limit of \$20,000. The balance as at September 30, 2024 is \$nil (2023 - \$11,708).

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 2023.

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% (2023 - 75%) and International - 4% (2023 - 2%). The marketable securities in the General Fund are denominated in approximately the following foreign currencies: United States - 43% (2023 - 46%) and International - 5% (2023 - 3%).

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

12. FINANCIAL RISKS AND CONCENTRATION OF RISK (continued)

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.

13. 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 2024 was \$25,435 (2023 - \$25,946).