

# **TORONTO KIWANIS BOYS AND GIRLS CLUBS**

## **FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**

Independent Auditor's Report	Page 1
Balance Sheet	3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

## **Independent Auditor's Report**

To the Members of Toronto Kiwanis Boys and Girls Clubs

### **Qualified Opinion**

We have audited the financial statements of Toronto Kiwanis Boys and Girls Clubs (the "Clubs"), which comprise the balance sheet as at December 31, 2020, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Clubs as at December 31, 2020, 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 Qualified Opinion**

In common with many charitable organizations, Toronto Kiwanis Boys and Girls Clubs derives revenues from fund-raising events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Toronto Kiwanis Boys and Girls Clubs and we are not able to determine whether, for the years ended December 31, 2020 and December 31, 2019, any adjustments might be necessary to revenues and excess of revenues over expenses reported in the statement of revenues and expenses, cash balances reported in the statements of cash flows and current assets and net assets as reported in the balance sheet. This matter also caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2019.

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 Clubs 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 qualified opinion.

### **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 ability of the Clubs 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 Clubs or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Clubs.

### **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 the financial statements.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 internal control of the Clubs.
- 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 ability of the Clubs 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 Clubs 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario  
June 23, 2021

Chartered Professional Accountants  
Licensed Public Accountants

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## BALANCE SHEET

AS AT DECEMBER 31, 2020

	2020	2019
<b>ASSETS</b>		
Current assets		
Cash	\$ 666,133	\$ 444,949
Investments in GICs (note 3)	509,000	500,000
Grants receivable	31,223	25,488
HST rebate	35,610	50,507
Prepaid expenses	57,832	84,654
	<b>1,299,798</b>	<b>1,105,598</b>
Long-term assets		
Investments in life insurance policy (note 4)	-	98,798
Property and equipment (note 5)	1,259,986	1,867,059
	<b>1,259,986</b>	<b>1,965,857</b>
	<b>2,559,784</b>	<b>3,071,455</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	81,985	135,903
Deferred revenues (note 6)	384,824	447,037
	<b>466,809</b>	<b>582,940</b>
Long-term liabilities		
Deferred revenues - Wondolowski scholarship fund (note 4)	185,000	-
Deferred capital contributions (note 7)	1,272,670	1,897,670
	<b>1,924,479</b>	<b>2,480,610</b>
<b>NET ASSETS</b>		
Unrestricted net assets	95,305	50,845
Internally restricted		
Operating contingency fund	420,000	420,000
Capital reserve fund	120,000	120,000
	<b>635,305</b>	<b>590,845</b>
	<b>\$ 2,559,784</b>	<b>\$ 3,071,455</b>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:



, Director



, Director

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED DECEMBER 31, 2020

	2020	2019
Revenues		
Funding from The Kiwanis Club of Toronto sources		
The Toronto Kiwanis T.P. Loblaw Charitable Trust	\$ 243,600	\$ 243,600
The Kiwanis Club of Toronto Foundation	100,500	88,100
	<u>344,100</u>	<u>331,700</u>
Government and other grants (note 8)	1,214,445	1,241,673
United Way of Greater Toronto grant	289,468	289,468
Donations and fundraising	474,463	540,008
User fees	27,231	145,005
Amortization of capital contributions (note 7)	625,000	632,557
Other income	57,072	78,251
	<u>3,031,779</u>	<u>3,258,662</u>
Expenses		
Salaries and benefits	1,580,647	1,666,917
Occupancy	230,504	259,639
Fundraising	2,014	32,952
Program	404,050	481,261
Depreciation	624,389	622,244
General and administrative	145,715	113,210
	<u>2,987,319</u>	<u>3,176,223</u>
Excess of revenues over expenses for the year	<u>\$ 44,460</u>	<u>\$ 82,439</u>

The accompanying notes are an integral part of these financial statements

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2020

2020	Unrestricted	Operating Contingency Fund	Capital Reserve Fund	Total
Balance - at beginning of year	\$ 50,845	\$ 420,000	\$ 120,000	\$ 590,845
Excess of revenues over expenses for the year	44,460	-	-	44,460
Balance - at end of year	95,305	420,000	120,000	635,305

2019	Unrestricted	Operating Contingency Fund	Capital Reserve Fund	Total
Balance - at beginning of year, as previously stated	17,202	300,000	90,000	407,202
Correction of error	101,204	-	-	101,204
Balance - at beginning of year, as restated	118,406	300,000	90,000	508,406
Excess of revenues over expenses for the year	82,439	-	-	82,439
Inter-fund transfers representing				
Transfer to Operating Contingency Fund	(120,000)	120,000	-	-
Transfer to Capital Reserve Fund	(30,000)	-	30,000	-
Balance - at end of year	\$ 50,845	\$ 420,000	\$ 120,000	\$ 590,845

The accompanying notes are an integral part of these financial statements

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

	2020	2019
Cash flows from operating activities		
Cash receipts from The Kiwanis Club of Toronto sources	\$ 344,100	\$ 331,700
Cash receipts from government and other grants	1,534,766	1,645,004
Cash receipts from fundraising and donations	682,646	685,013
Cash receipts from other revenues	48,072	78,251
Cash paid to employees and suppliers	(2,371,084)	(2,589,181)
	238,500	150,787
Cash flows from investing activity		
Purchase of investments in GICs	-	(500,000)
Purchase of property and equipment	(17,316)	(80,253)
	(17,316)	(580,253)
Change in cash during the year	221,184	(429,466)
Cash - at beginning of year	444,949	874,415
Cash - at end of year	\$ 666,133	\$ 444,949

The accompanying notes are an integral part of these financial statements

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### *NATURE OF OPERATIONS*

Toronto Kiwanis Boys and Girls Clubs (the "Clubs") is a voluntary organization providing a wide range of programs and services for children and youth aged 6 to 18 years, through professional staff, part time program staff and volunteers. The Clubs provides a safe and positive environment where children and youth can learn, grow and develop the skills they will need as contributing members of society.

Toronto Kiwanis Boys and Girls Clubs is a registered charitable organization incorporated without share capital under the laws of the Province of Ontario and, as such, is generally exempt from income tax.

### *1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below:

#### *Basis of Presentation*

Unrestricted net assets account for the day-to-day service delivery activities of the clubs.

The Board of Directors of the Clubs has internally restricted net assets to be used for specific purposes. These funds are not available for operating purposes without approval of the Board of Directors. The details of internally restricted net assets are as follows:

- The Operating Contingency Fund was established to allow for unbudgeted expenses. Any withdrawals are subject to the approval by the Board.
- The Capital Reserve Fund was established to allow for unbudgeted expenses of a capital nature. Any withdrawals are subject to the approval by the Board.

#### *Revenue Recognition*

The Clubs uses the deferral method in accounting for grants. Accordingly, grants subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the period in which the related expenses are incurred or other grant requirements are satisfied.

Contributions from governments, foundations and other funding agencies that are not for a specific purpose are recognized as revenue when received or receivable.

Unrestricted donations are recognized as revenue when received. Restricted donations are recognized in the year when the funds are used for the purposes specified by the donor.

Revenues from fundraising events are recognized in the period in which the event takes place. Funds received from the fundraising events for specific purposes are recognized as revenue when the funds received are used for the purposes specified during the fundraising event.

User fees are recognized as revenue when the service has been rendered. Other revenues are recognized as earned.

Other income consists of interest income, sales tax rebate and other incidental income. Interest income is recognized as earned. Sales tax rebate is recognized when receivable. Other incidental income is recognized when collection is reasonably assured.

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Financial instruments*

##### *Measurement of financial assets and liabilities*

The Clubs initially measures financial assets and liabilities at fair value. The Clubs subsequently measures all financial assets and financial liabilities at amortized cost.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash, investments in GICs and grants receivable,

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

##### *Impairment*

At the end of each year, the Clubs assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Clubs, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Clubs determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the Clubs identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Investments*

Investments in GICs consist of guaranteed investment certificates whose term to maturity ranging from three months to twelve months from date of acquisition.

Investments in life insurance policy consist of a life insurance policy with a cash surrender value and a side account of cash designated for the planned premium of the policy, which are measured at the cash surrender value of the policy and the cash balance remaining in the side account as at the balance sheet date, and until such time when the insurance policy is settled and the proceeds are distributed.

#### *Property and Equipment*

Property and equipment are recorded at cost. Repairs and maintenance costs are recognized as expenses as they are incurred. Betterments which extend the intended life of an asset are capitalized.

Depreciation is provided at the following annual rates on a straight line basis:

Leasehold improvements	-	over the remaining term of the lease plus renewal option
Equipment	-	4 years
Vehicle	-	4 years

The above rates are reviewed annually for ongoing appropriateness. Any changes to these estimates are adjusted on a prospective basis. If there is an indication that the property and equipment assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2020.

#### *Deferred Capital Contributions*

Funds received for the acquisition of property and equipment are deferred and recognized as revenue on the same basis as the depreciation of the related property and equipment.

#### *Contributed Goods and Services*

Contributed goods and services are not recognized in the accounts of the Clubs, except when fair value of such goods and services can reasonably be established and when the goods and services are normally purchased by the Clubs and would be paid for if not donated.

During the year, the Clubs received contributed food at an estimated fair value of \$13,000 (\$13,000 - 2019) that would otherwise be purchased by the Clubs. The amount was recognized in donations.

#### *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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made difficult, complex or subjective judgments, include useful lives of property and equipment and accrued liabilities. Actual results could differ from these and other estimates, the impact of which would be recorded in future affected years.

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

### 2. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Clubs is exposed to various risks through its financial instruments. The following analysis provides a measure of the Clubs risk exposure and concentration at the balance sheet date.

The financial instruments of the Clubs and the nature of the risks to which those instruments may be subject, are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Currency	Interest rate	Other price
Cash	X			X	
Investments in GICs	X			X	
Grants receivable	X				
Accounts payable and accrued liabilities		X			

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Clubs' main credit risk relates to cash, investments in GICs and grants receivable.

The maximum exposure of the Clubs to credit risk is as follows:

	2020 \$	2019 \$
Cash	666,133	444,949
Investments in GICs	509,000	500,000
Grants receivable	31,223	25,488
	<u>1,206,356</u>	<u>970,437</u>

The Clubs reduces its exposure to the credit risk of cash and investments in GICs by maintaining balances with a reputable Canadian financial institution.

The Clubs is not exposed to significant credit risk with respect to grants receivable as the Clubs received the grants subsequently.

#### Liquidity Risk

Liquidity risk is the risk that the Clubs will encounter difficulty in meeting obligations associated with financial liabilities. The Clubs is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Clubs has adequate cash on hand to meet these obligations as they come due.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Clubs is not exposed to currency or other price risk.

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

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### 2. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Clubs is not exposed to significant interest rate risk. Details of investments in GICs are disclosed in note 3.

#### *Changes in Risk*

There have been no significant changes in the risk profile of the financial instruments of the Clubs from that of the prior year.

### 3 INVESTMENTS IN GICS

Investments in guaranteed investment certificates are due on November 4, 2021 with an interest at 0.25% per annum (due on November 4, 2020 at 1.8% per annum - 2020).

### 4. INVESTMENTS IN LIFE INSURANCE POLICY AND DEFERRED REVENUES - WONDOLOWSKI SCHOLARSHIP FUND

In fiscal 2018, the Clubs received a donation in the form of a life insurance policy and was designated as the beneficiary and owner of the life insurance policy with a death benefit of \$185,000 to be used as scholarships to a member of the Clubs. The donated life insurance was recognized as investments in life insurance policy and measured at the fair value being the cash surrender value and a side account maintained at the insurance company with cash to be applied to the planned premium per the term of the policy.

As at December 31, 2019, investments in life insurance policy were valued at a total of \$98,798, being cash surrender value of \$19,354 and cash balance in side account of \$79,444.

During the year, the policy was settled upon the passing of the insured on June 26, 2020. The Clubs received a distribution of \$279,751 from the life insurance policy comprised of death benefit of \$185,000 and unapplied cash balance in the side account of \$94,751.

The death benefit of \$185,000 has been recognized as deferred revenue, restricted for the purpose to provide an annual scholarship between \$10,000 and \$15,000 in the name of Charles and Lois Wondolowski over 20 years to a deserving member of the Clubs to attend post secondary education.

### 5. PROPERTY AND EQUIPMENT

The details of property and equipment are as follows:

<i>2020</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Leasehold improvements	\$ 6,631,080	\$ 5,403,738	\$ 1,227,342
Equipment	151,395	118,751	32,644
Vehicle	74,772	74,772	-
	<u>\$ 6,857,247</u>	<u>\$ 5,597,261</u>	<u>\$ 1,259,986</u>

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

### 5. PROPERTY AND EQUIPMENT (continued)

2019	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	\$ 6,631,080	\$ 4,790,231	\$ 1,840,849
Equipment	134,079	107,869	26,210
Vehicle	74,772	74,772	-
	<b>\$ 6,839,931</b>	<b>\$ 4,972,872</b>	<b>\$ 1,867,059</b>

### 6. DEFERRED REVENUES

The details of deferred revenues are as follows:

	Balance at December 31, 2019	Funds Received in 2020	Transferred to Revenue in 2020	Balance at December 31, 2020
Boys and Girls Clubs	\$ 82,500	\$ 126,650	\$ (103,250)	\$ 105,900
Ontario Trillium Foundation	130,394	82,700	(151,342)	61,752
Ministry of Tourism	53,350	480,150	(533,500)	-
All others	180,793	373,620	(337,241)	217,172
	<b>\$ 447,037</b>	<b>\$ 1,063,120</b>	<b>\$ (1,125,333)</b>	<b>\$ 384,824</b>

### 7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of contributions received and used for the purchase of equipment and the construction of 101 Spruce Street Redevelopment project as well as the contributions received for capital purchases, but which have not yet been spent. Changes in the deferred capital contributions are as follows:

	2020	2019
Balance - at beginning of year	\$ 1,897,670	\$ 2,530,227
Capital contributions recognized as revenue during the year	(625,000)	(632,557)
Balance - at end of year	<b>\$ 1,272,670</b>	<b>\$ 1,897,670</b>

### 8. GOVERNMENT GRANTS AND OTHER GRANTS

The details of government and other grants are as follows:

	2020	2019
Human Resources Development Canada, Summer Career Placements	\$ 70,526	\$ 125,088
City of Toronto		
General and Recreational Grants Program	51,780	50,717
Community Services	53,280	52,218
Children's Services	9,752	19,504
Ministry of Health Promotions, After School Program	533,500	533,500
Boys and Girls Club of Canada	103,250	41,692
Other miscellaneous grants	392,357	418,954
	<b>\$ 1,214,445</b>	<b>\$ 1,241,673</b>

# TORONTO KIWANIS BOYS AND GIRLS CLUBS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

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### 9. LEASE COMMITMENTS

The Clubs has a lease for the premises expiring December 31, 2022. Under the lease agreement, the Clubs has the right of first refusal if the landlord decides to accept an offer to purchase the building. In addition, the Clubs has a lease for office equipment expiring February 2023.

The minimum annual lease payments for the remaining lease terms are as follows:

	<i>Office Equipment</i>	<i>101 Spruce Street</i>
2021	7,304	68,400
2022	7,304	68,400
2023	1,217	-
	15,825	136,800

In addition to the minimum rent, the Clubs is required to pay the operating costs which amounted to \$157,317 in 2020 (\$182,748 - 2019).

### 10. IMPACT OF THE COVID-19 PANDEMIC

In March 2020, the global pandemic of the virus known as COVID-19 led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations, physical distancing and the closure of non-essential businesses. Although the normal course of operations has been affected to a certain degree by the development of the pandemic, the Clubs is able to run majority of the programs by adapting to the changed environment. Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to estimate the financial effect on the Clubs.

### 11. SUBSEQUENT EVENTS

Subsequent to the year end, the Clubs and Community Matters Toronto, another charitable organization, signed a Letter of Understanding under which, Community Matters Toronto will transfer its After Four Program to the Clubs subject to the approval by the program funder.

**HILBORN**

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