

KAWARTHA BINGO SPONSOR'S ASSOCIATION INC.

FINANCIAL STATEMENTS

March 31, 2023

COMPILATION ENGAGEMENT REPORT

To: Membership of KAWARTHA BINGO SPONSORS ASSOCIATION INC.

On the basis of information provided by management, we have examined the statement of financial position of KAWARTHA BINGO SPONSORS ASSOCIATION INC. as at March 31, 2023 and the statements of operations and changes in net assets and cash flows for the year then ended.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Kayser Financial Services
Peterborough, Ontario
June 21, 2023

KAWARTHA BINGO SPONSOR'S ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	2023	2022
ASSETS		
Current		
Cash and bank (Note 2)	\$ 72,718	\$ 69,312
Accounts receivable	99,121	69,606
	<u>\$ 171,839</u>	<u>\$ 138,918</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 7,926	\$ 9,171
Allocations owing to member organizations	92,018	62,414
	<u>99,944</u>	<u>71,585</u>
UNRESTRICTED NET ASSETS	<u>71,895</u>	<u>67,333</u>
	<u>\$ 171,839</u>	<u>\$ 138,918</u>

KAWARTHA BINGO SPONSOR'S ASSOCIATION INC.**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

For the year ended March 31, 2023

	2023	2022
REVENUES		
Sponsors' share of bingo earnings	\$ 1,098,389	\$ 460,838
Interest income	47	44
	<u>1,098,436</u>	<u>460,883</u>
Less allocations to member organizations	<u>1,013,333</u>	<u>403,302</u>
GROSS PROFIT	<u>85,103</u>	<u>57,581</u>
EXPENSES		
Advertising and promotion	1,006	757
Bank charges	54	280
Board of director expenses	-	-
Insurance	856	819
Meetings and conferences	-	-
Meeting room rentals and supplies	273	271
Office expenses	1,995	2,257
Professional fees	1,526	1,526
Salaries and benefits	74,831	71,426
	<u>80,540</u>	<u>77,335</u>
	4,562	(19,754)
SPECIAL DISTRIBUTION to member organizations	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenses for the year	4,562	(19,754)
Unrestricted net assets, beginning of year	67,333	87,087
Unrestricted net assets, end of year	<u>\$ 71,895</u>	<u>\$ 67,333</u>

KAWARTHA BINGO SPONSOR'S ASSOCIATION INC.

STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

	2023	2022
Cash provided by (used in)		
Operating Activities		
Excess (deficiency) of revenue over expenses for year	\$4,562	\$ (19,755)
Changes in non-cash working capital balances		
Accounts receivable	(29,515)	21,749
Accounts payable and accrued liabilities	(1,244)	1,827
Allocations owing to member organizations	29,604	(11,747)
	<u>(1,155)</u>	<u>11,829</u>
Increase (decrease) in cash during the year	3,407	(7,926)
Cash and bank, beginning of year	<u>69,312</u>	<u>77,238</u>
Cash and bank, end of year	<u>\$ 72,719</u>	<u>\$ 69,312</u>

KAWARTHA BINGO SPONSOR'S ASSOCIATION INC.

Notes to the Financial Statements

For the year ended March 31, 2023

1. Significant Accounting Policies

a) Nature and Purpose of Organization

Kawartha Bingo Sponsor's Association Inc. is a non-profit organization incorporated without share capital under the laws of Ontario on April 4, 2008. Its membership is comprised of all organizations authorized by the City of Peterborough to participate in the bingos operated by Delta Bingo. Its purpose is to receive distributions of funds from the Ontario Lottery and Gaming Corporation representing the "sponsors' " share of revenue derived by the bingos operated by Delta Bingo and to distribute these funds to its member organizations. Effective January 1, 2009, these distributions have been allocated monthly to the member organizations during that month.

b) Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

c) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Revenue from bingo operations is recognized when individual bingo sessions are completed. Distributions from the Ontario Lottery and Gaming Corporation received subsequent to the end of the fiscal year related to bingo sessions completed during the fiscal year are reported as accounts receivable. Similarly, distributions to member organizations paid subsequent to the end of the fiscal year related to bingo sessions completed during the fiscal year are reported as allocations owing to member organizations.

d) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. All financial instruments are reported at cost or amortized costs less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed.

KAWARTHA BINGO SPONSOR'S ASSOCIATION INC.

Notes to the Financial Statements

For the year ended March 31, 2023

e) Income Taxes

The organization is a not-for-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to federal and provincial income taxes.

f) Capital Assets

Capital assets are recorded at cost and amortized over the assets' estimated useful lives. The organization has no significant capital assets.

2. Cash and Bank

The organization's account is held at one registered financial institution. The account earns a nominal rate of interest.

3. Economic Dependence

The organization derives substantially all of its revenue through its relationship with Delta Bingo and the Ontario Lottery and Gaming Corporation.

4. Surplus Assumed from Predecessor Organization

The Kawartha Bingo Sponsors Association was formed as an unincorporated non-for-profit organization prior to 1998. Membership was comprised of all organizations authorized by the City of Peterborough to participate in the bingos operated by Delta Bingo or by its predecessor company. On January 1, 1998, the Kawartha Bingo Sponsors Association was granted permission by the then Gaming Control Commission to pool the funds generated by the individual bingo sessions and allocate the resulting pooled income among its member organizations on an equitable basis. Prior to that time, member organizations received whatever funds (if any) generated by the individual bingo sessions they "sponsored".

Due to an anomaly in the original allocation formula, a surplus accumulated in the Kawartha Bingo Sponsors Association, which, at April 3, 2008, amounted to \$73,681. On April 4, 2008, Kawartha Bingo Sponsor's Association Inc. was incorporated to take over the operations and assume the assets and liabilities of the Kawartha Bingo Sponsors Association.

During the prior year, \$66,300 of this accumulated surplus was distributed to the member organizations by way of a special distribution.