

**THE DUKE OF EDINBURGH'S
INTERNATIONAL AWARD -
CANADA**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Net Assets

Statement of Cash Flows

Notes to Financial Statements



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUIBERS McNEELY

PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Members of The Duke of Edinburgh's International Award - Canada

Opinion

We have audited the accompanying financial statements of The Duke of Edinburgh's International Award - Canada ("the Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, and its financial performance 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.

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.

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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.
- 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.

Kelly Huibers McNeely
Professional Corporation

Stittsville, Ontario
March 20, 2025

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA

STATEMENT OF FINANCIAL POSITION

as at December 31, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 915,377	\$ 733,110
Accounts receivable	212,339	82,444
Government receivables	21,787	57,358
Prepaid expenses	<u>92,760</u>	<u>97,229</u>
	1,242,263	970,141
INVESTMENTS (note 3)	1,964,255	2,471,350
CAPITAL ASSETS (note 4)	88,796	113,385
	<u>\$ 3,295,314</u>	<u>\$ 3,554,876</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 134,819	\$ 91,086
Deferred revenue	-	10,656
Deferred contributions related to expenses of future periods (note 6)	<u>460,720</u>	<u>311,325</u>
	595,539	413,067
NET ASSETS	2,699,775	3,141,809
	<u>\$ 3,295,314</u>	<u>\$ 3,554,876</u>

APPROVED ON BEHALF OF THE BOARD

Director

Director

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

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2024

	2024	2023
REVENUE		
Contributions - unrestricted	\$ 404,114	\$ 723,973
Contributions - restricted	1,084,180	1,205,005
Earned income	688,444	587,759
Miscellaneous	<u>150</u>	<u>770</u>
	<u>2,176,888</u>	<u>2,517,507</u>
EXPENSES		
Finance and corporate services (note 5)	144,736	109,470
Fundraising	11,957	393,291
Information technology	167,189	233,996
Marketing and communications	30,337	28,353
Professional fees	42,053	40,915
Program delivery	218,765	109,607
Remuneration	2,283,475	2,693,493
Travel	<u>13,315</u>	<u>46,608</u>
	<u>2,911,827</u>	<u>3,655,733</u>
NET EXPENSES BEFORE THE UNDERNOTED	(734,939)	(1,138,226)
OTHER INCOME (EXPENSES)		
Investment income	292,905	404,890
Loss on disposal of capital assets	<u>-</u>	<u>(1,097)</u>
NET EXPENSES	(442,034)	(734,433)
NET ASSETS - BEGINNING OF YEAR	3,141,809	3,876,242
NET ASSETS - END OF YEAR	<u>\$ 2,699,775</u>	<u>\$ 3,141,809</u>

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

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	2024	2023
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net expenses	\$ (442,034)	\$ (734,433)
Items not affecting cash:		
Amortization of capital assets	43,539	45,496
Loss on disposal of capital assets	-	1,097
Changes in non-cash working capital items:		
Accounts receivable	(129,895)	73,548
Government receivables	35,571	53,702
Prepaid expenses	4,469	2,625
Inventory	-	7,397
Accounts payable and accrued liabilities	43,733	(37,542)
Deferred revenue	(10,656)	10,656
Deferred contributions related to expenses of future periods	<u>149,395</u>	<u>(191,090)</u>
	<u>(305,878)</u>	<u>(768,544)</u>
INVESTING ACTIVITIES		
Purchase of investments	(500,000)	(2,425,000)
Proceeds on sale of investments	1,007,095	3,423,497
Purchase of capital assets	<u>(18,950)</u>	<u>(29,207)</u>
	<u>488,145</u>	<u>969,290</u>
NET CHANGE IN CASH	182,267	200,746
CASH - BEGINNING OF YEAR	733,110	532,364
CASH - END OF YEAR	\$ 915,377	\$ 733,110

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

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. OPERATIONS

The Duke of Edinburgh's International Award - Canada ("the Award" or "the Organization") is an international award program for young people. The National Board of Directors is the governing body of the Canadian award authority. The Award also conducts fundraising activities and historically distributed funds to Operating Divisions located in the Provinces and Territories. The Operating Divisions were separately incorporated.

In 2021, the Award began restructuring its governance, management and operating models. As part of this restructuring, various Operating Divisions were closed and the Award assumed substantially all of the assets and certain of the liabilities of those Divisions. In 2021, the Operating Divisions in Ontario, New Brunswick, Newfoundland and Labrador, and Nova Scotia started the process of formal closure, informing Canada Revenue Agency of voluntary revocation, and transferring residual funds to the Award as agreed in transfer agreements. During 2022, this process continued with the closure of Operating Divisions in British Columbia, Saskatchewan, and the remaining funds transferred from Ontario. The only remaining Operating Divisions are in Alberta, Manitoba and Quebec which are no longer licensed to deliver the Award. Consistent with previous years, the Award's financial statements do not include the assets, liabilities, operations or cash flows of the previous Operating Divisions except where those assets have been legally transferred as per the merger agreements.

The Organization is classified as a registered charity under the Income Tax Act and accordingly, is not subject to income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue Recognition

The Organization follows the deferral method of accounting for contributions which includes donations and government grants. Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization does not restrict funds internally.

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA**NOTES TO THE FINANCIAL STATEMENTS****December 31, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)Revenue Recognition (continued)

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recorded as a direct increase to net assets. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the depreciation rate for the related capital assets.

Interest is recognized on the accrual basis.

Deferred Contributions

The Award uses three categories of externally restricted contributions, each with their own mechanism for recognizing revenue: Work-scope; Jurisdictional; Performance.

Work-scope contributions have expected outcomes tied to the contribution and restrictions on the nature of the expenditures permitted.

Jurisdictional contributions are restricted to a particular jurisdiction, being a province or territory. Attributable expenses are incurred for the benefit of the specific jurisdiction only.

Performance contributions are restricted based on expected outcomes tied to the contribution.

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments. The Organization has elected to use the fair value options to measure investments, with any subsequent changes in fair value recorded in the statement of operations and changes in net assets.

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are carried at fair value. Equities are valued at the closing bid price. Short-term investments are valued at cost plus accrued interest, which approximates fair value. All related transaction costs are expensed as incurred.

In-kind Donations

The Organization recognizes contributions of materials when a fair value can be reasonably estimated and when the materials are used in the normal course of operations and would otherwise have been purchased. The Organization also accepts donations of items for sale or auction with a valid appraisal in keeping with Canada Revenue Agency regulations.

Capital Assets

Capital assets are initially recorded at cost and are then amortized over their estimated useful lives, on a straight-line basis, over the following terms:

Computer hardware	- 3 years
Computer software	- 3-5 years
Equipment	- 3 years
Leasehold improvements	- over the term of the lease

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 amount of assets and liabilities, and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Balances requiring significant estimates and assumptions include the collectibility of accounts receivable, valuation of investments, accrued liabilities and amortization expense.

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

3. INVESTMENTS

Investments consist of the following Scheer, Rowland & Associates Investment Management Ltd. pooled funds:

	2024	2023
Money Market Fund	\$ 518,035	\$ 701,723
Balanced Fund	1,446,220	1,769,627
	\$ 1,964,255	\$ 2,471,350

The pooled funds consist of the following underlying securities:

	2024	2023
Cash and cash equivalents	\$ 643,711	\$ 855,504
Fixed income	402,917	493,018
Domestic equities	534,089	653,523
Foreign equities	383,538	469,305
	\$ 1,964,255	\$ 2,471,350

4. CAPITAL ASSETS

			2024	2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 104,354	\$ 97,679	\$ 6,675	\$ 13,390
Computer software	209,373	127,252	82,121	98,414
Equipment	7,267	7,267	-	1,581
Leasehold improvements	31,600	31,600	-	-
	\$ 352,594	\$ 263,798	\$ 88,796	\$ 113,385

5. RELATED PARTY BALANCES AND TRANSACTIONS

Operating Divisions

During the year, the Organization provided \$40,000 to an Operating Division to repay their respective Canada Emergency Business Account loan.

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

6. DEFERRED CONTRIBUTIONS RELATED TO EXPENSES OF FUTURE PERIODS

	Balance 2023	Contributions received	Revenue recognized	Balance 2024
Jurisdictional	\$ 45,992	\$ 238,160	\$ (284,152)	-
Performance	265,333	995,415	(800,028)	460,720
	\$ 311,325	\$ 1,233,575	\$ (1,084,180)	\$ 460,720

7. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations. The Organization does not use derivative financial instruments to manage its risks.

Interest Rate Risk

The Organization is exposed to interest rate risk with respect to its investment in fixed income securities. Changes in the prime interest rate will have a positive or negative impact on the Organization's investments. Such exposure will increase accordingly should the Organization maintain higher levels of investments in the future.

Credit Risk

This risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization's investment policy defines permitted investments and provides guidelines and restrictions on acceptable investments which minimizes credit risk.

Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices (other than those arising from interest rate or foreign exchange risk) whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. To mitigate this risk, the Organization invests in a diversified portfolio of investments within the Organization's investment policy.

THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD - CANADA**NOTES TO THE FINANCIAL STATEMENTS****December 31, 2024**

7. FINANCIAL INSTRUMENTS (continued)Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization invests in non-Canadian equities through the pooled funds and is therefore directly exposed to currency risk as the value of the equities denominated in other currencies will fluctuate due to changes in exchange rates.

8. GUARANTEES

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee.

The only such guarantee relates to the indemnity that has been provided to all directors and/or officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to their involvements with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the period over which the indemnified part served as a director or officer of the Organization. The maximum amount of any potential future payment cannot be reasonably estimated.

The nature of this indemnification agreement prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any payments under such or similar indemnification agreements and therefore no amount has been accrued in the financial statements with respect to these agreements.

Amy Langhorne



Board Chair

Mark Little



Chief Executive Officer

Sarah deGuzman



Treasurer

05/13/2025