

**Children's Aid Foundation of Halton**  
**Financial Statements**  
For the year ended June 30, 2023

Contents	Page
<hr/>	
<b>Independent Auditors' Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position	1 - 2
Statement of Operations and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7

---

To the Directors of  
Children's Aid Foundation of Halton

### **Independent Auditors' Report**

#### **Qualified Opinion**

We have audited the accompanying financial statements of Children's Aid Foundation of Halton (the Organization), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Children's Aid Foundation of Halton as at June 30, 2023 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 not-for-profit organizations, the Children's Aid Foundation of Halton derives revenues from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue and related expenses was limited to the amounts recorded by the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenditures, assets and fund balances for the years ended June 30, 2023 and 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 qualified 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.

### **Auditors' 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 Auditing Standards (CASs), 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.

October 18, 2023  
Burlington, Ontario

*SB Partners LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**Children's Aid Foundation of Halton**

**Statement of Financial Position**

**June 30, 2023**

	Operating Fund	Restricted Investment Fund	2023	2022
<b>Assets</b>				
<b>Current assets</b>				
Cash and bank	\$ 53,972	\$ -	\$ 53,972	\$ -
Operating investments (Note 3)	115,812	-	115,812	113,775
Accounts receivable	2,842	-	2,842	15,346
H.S.T. recoverable	3,049	-	3,049	7,660
	<b>175,675</b>	<b>-</b>	<b>175,675</b>	<b>136,781</b>
<b>Restricted investments (Note 3)</b>	<b>-</b>	<b>1,704,561</b>	<b>1,704,561</b>	<b>1,672,887</b>
	<b>\$ 175,675</b>	<b>\$ 1,704,561</b>	<b>\$ 1,880,236</b>	<b>\$ 1,809,668</b>

Approved on Behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

*The accompanying notes are an integral part of the financial statements.*



**Children's Aid Foundation of Halton**

**Statement of Financial Position**

**June 30, 2023**

	Operating Fund	Restricted Investment Fund	2023	2022
<b>Liabilities</b>				
<b>Current liabilities</b>				
Bank indebtedness	\$ -	\$ -	\$ -	\$ 5,468
Accounts payable and accrued liabilities	<b>32,972</b>	-	<b>32,972</b>	17,272
	<b>32,972</b>	-	<b>32,972</b>	22,740
	<b>32,972</b>	-	<b>32,972</b>	22,740
<b>Fund balances</b>				
Internally restricted	-	1,704,561	1,704,561	1,672,887
Unrestricted	<b>142,703</b>	-	<b>142,703</b>	114,041
	<b>142,703</b>	1,704,561	<b>1,847,264</b>	1,786,928
	<b>\$ 175,675</b>	<b>\$ 1,704,561</b>	<b>\$ 1,880,236</b>	<b>\$ 1,809,668</b>

*The accompanying notes are an integral part of the financial statements.*



**Children's Aid Foundation of Halton**

**Statement of Operations and Changes in Fund Balances**

**Year Ended June 30, 2023**

	Operating Fund	Restricted investment Fund	2023	2022
<b>Revenue</b>				
Donations and grants	\$ 518,634	\$ -	\$ 518,634	\$ 263,816
Donations in kind	121,897	-	121,897	102,792
Investment income (loss)	15,269	155,649	170,918	(123,982)
Property income	-	-	-	6,800
Special events	41,802	-	41,802	30,503
Gain on sale of capital assets	-	-	-	1,161,851
	<b>697,602</b>	<b>155,649</b>	<b>853,251</b>	<b>1,441,780</b>
<b>Expenditures</b>				
Donations - Halton Children's Aid Society	404,986	-	404,986	401,876
Depreciation	-	-	-	6,740
Professional fees	9,251	-	9,251	9,763
Transition homes	-	-	-	21,189
Fundraising expenses	72,833	-	72,833	69,528
Administrative expenses and grant writing	149,526	-	149,526	127,038
In kind distributions	121,897	-	121,897	102,792
Program delivery costs	34,422	-	34,422	43,342
	<b>792,915</b>	<b>-</b>	<b>792,915</b>	<b>782,268</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(95,313)</b>	<b>155,649</b>	<b>60,336</b>	<b>659,512</b>
Fund balances, beginning of the year	114,041	1,672,887	1,786,928	1,127,416
Interfund transfers (Note 6)	123,975	(123,975)	-	-
<b>Fund balances, end of year</b>	<b>\$ 142,703</b>	<b>\$ 1,704,561</b>	<b>\$ 1,847,264</b>	<b>\$ 1,786,928</b>

*The accompanying notes are an integral part of the financial statements.*



# Children's Aid Foundation of Halton

## Statement of Cash Flows

Year Ended June 30, 2023

	2023	2022
<b>Cash flows from operating activities</b>		
Excess of revenues over expenditures	\$ 60,336	\$ 659,512
Amortization of capital assets	-	6,740
Gain on sale of capital assets	-	(1,161,851)
	<b>60,336</b>	(495,599)
Net change in accounts receivable	<b>12,504</b>	(14,312)
Net change in H.S.T. recoverable	<b>4,611</b>	(5,715)
Net change in accounts payable and accrued liabilities	<b>15,700</b>	(26,526)
	<b>93,151</b>	(542,152)
<b>Cash flows from financing activities</b>		
Increase (decrease) in bank indebtedness	<b>(5,468)</b>	5,468
Decrease in long-term debt	-	(198,536)
	<b>(5,468)</b>	(193,068)
<b>Cash flows from investing activities</b>		
Proceeds on disposal of capital assets	-	1,379,949
Net change in investments	<b>(33,711)</b>	(706,640)
	<b>(33,711)</b>	673,309
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>53,972</b>	(61,911)
<b>Cash and cash equivalents, beginning of year</b>	-	61,911
<b>Cash and cash equivalents, end of year</b>	<b>\$ 53,972</b>	<b>\$ -</b>

*The accompanying notes are an integral part of the financial statements.*



# Children's Aid Foundation of Halton

## Notes to Financial Statements

Year Ended June 30, 2023

---

### 1. Nature of operations

The purpose of the Children's Aid Foundation of Halton (the "Foundation") is to raise money and distribute funds for projects and programs consistent with mandate of the Halton Children's Aid Society (the "Society") and to supplement the public funding of the Society. It is incorporated under the Corporations Act as a "corporation without share capital" and is a registered charity under the Income Tax Act.

### 2. Significant accounting policies

#### Basis of presentation

The financial statements of the Foundation have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

#### Fund Accounting

The Foundation follows the deferral method of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into the following funds: the Operating fund and the Restricted Investment fund.

#### Operating Fund

Revenue and expenditures other than those recorded in special purpose funds are recorded in the operating fund.

#### Restricted Investment Fund

The Restricted Investment fund includes funds invested with the Oakville Community Foundation and is internally restricted by the Board of Directors. The fund has been created to use the earnings to assist with the sustainability of the Foundation.

#### Cash and cash equivalents

Cash and cash equivalents includes balances with a Canadian Financial Institution.

#### Revenue recognition

Revenue from donations and fundraising activities are recorded when received. Restricted contributions are recorded as deferred revenue and recognized as revenue when the related expenses occur.

#### Contributed services

These financial statements do not reflect the substantial value of services contributed by volunteers and other interested parties because the fair market value of such services are not readily available.

#### Income taxes

The Foundation is a non-profit organization registered under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements of the Act. In the opinion of management, these requirements have been met.



# Children's Aid Foundation of Halton

## Notes to Financial Statements

Year Ended June 30, 2023

---

### 2. Significant accounting policies (cont'd.)

#### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the period. Actual results could differ from those estimates.

#### Financial instruments

The Foundation's financial instruments consist of accounts receivable, operating investments, restricted investments, bank indebtedness, accounts payable and accrued liabilities and long-term debt.

Operating and restricted investments are initially recognized at fair value. Investments in unlisted shares are subsequently measured at cost less any reduction for impairment. Investments in listed shares are subsequently measured at fair value at the balance sheet date.

All other financial instruments are initially recorded at fair value and subsequently measured at amortized cost. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

### 3. Operating and restricted investments

The operating and restricted investments are held by the Oakville Community Foundation. The Foundation receives its pro-rata share of the total investment income (net of administration and management fees) generated by the Oakville Community Foundation.

### 4. Staffing costs

	2023	2022
Transition homes	\$ -	\$ 500
Fundraising expenses	62,242	60,996
Administrative expenses and grant writing	99,344	104,560
Program delivery costs	26,522	25,987
<b>Total staffing costs</b>	<b>\$ 188,108</b>	<b>\$ 192,043</b>

Included in expenditures are salaries and benefits expense, which have been allocated by function as noted above.



# Children's Aid Foundation of Halton

## Notes to Financial Statements

Year Ended June 30, 2023

---

### 5. Financial instruments

The Foundation's financial instruments consist of accounts receivable, operating investments, restricted investments, bank indebtedness, accounts payable and accrued liabilities and long-term debt.

#### Credit risk

The Foundation is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Foundation does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

#### Liquidity risk

The Foundation's exposure to liquidity risk is dependent on the collection of accounts and funding receivable and obligations or raising of funds to meet commitments and sustain operations. The Foundation controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

#### Market Risk

The Foundation's investments in publicly-traded securities exposes the Foundation to price risks as equity investments are subject to price changes in an open market. The Foundation does not use derivative financial instruments to alter the effects of this risk.

### 6. Interfund Transfers

During the year, the Foundation transferred \$123,975 (2022 - \$349,707) from the Restricted Investment Fund to the Operating Fund.

