

Peel Children's Aid Foundation

Financial Statements
March 31, 2022



Independent auditor's report

To the Board of Directors and Members of Peel Children's Aid Foundation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Peel Children's Aid Foundation (the Foundation) as at March 31, 2022 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.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at March 31, 2022;
- the statement of operations and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
September 9, 2022

Peel Children's Aid Foundation

Statement of Financial Position

As at March 31, 2022

	General fund		Endowment funds		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash	829,992	810,066	33,802	44,723	863,794	854,789
Accounts receivable	16,568	11,070	-	-	16,568	11,070
Inventory – vouchers and gifts	300	300	-	-	300	300
Artwork held for sale	32,275	32,275	-	-	32,275	32,275
Prepaid expenses	19,252	871	-	-	19,252	871
	<u>898,387</u>	<u>854,582</u>	<u>33,802</u>	<u>44,723</u>	<u>932,189</u>	<u>899,305</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	61,228	42,557	-	-	61,228	42,557
Loan payable (note 7)	40,000	40,000	-	-	40,000	40,000
Deferred revenue (note 3)	406,759	478,992	-	-	406,759	478,992
	<u>507,987</u>	<u>561,549</u>	<u>-</u>	<u>-</u>	<u>507,987</u>	<u>561,549</u>
Fund Balances						
General fund	390,400	293,033	-	-	390,400	293,033
Endowment funds (note 4)	-	-	33,802	44,723	33,802	44,723
	<u>390,400</u>	<u>293,033</u>	<u>33,802</u>	<u>44,723</u>	<u>424,202</u>	<u>337,756</u>
	<u>898,387</u>	<u>854,582</u>	<u>33,802</u>	<u>44,723</u>	<u>932,189</u>	<u>899,305</u>
Approved by the Board of Directors						
						Director

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

Peel Children's Aid Foundation

Statement of Operations and Changes in Fund Balances For the year ended March 31, 2022

	General fund		Endowment funds		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Revenue						
Donations	1,054,802	1,287,850			1,057,802	1,291,865
Fundraising events	143,913	39,158	3,000	4,015	143,913	39,158
Fundraising for the capital campaign	12,500	474,469	-	-	12,500	474,469
Investment income	4,225	4,231	4,095	6,608	8,320	10,839
Gifts-in-kind	1,215,440	1,805,708	7,095	10,623	1,222,535	1,816,331
	502,026	217,241	-	-	502,026	217,241
	1,717,466	2,022,949	7,095	10,623	1,724,561	2,033,572
Expenses						
Fundraising events	8,639	4,678	-	-	8,639	4,678
Other fundraising	175,695	174,769	-	-	175,695	174,769
General and administrative	161,325	149,680	-	-	161,325	149,680
Community awareness	7,386	4,928	-	-	7,386	4,928
Program development, monitoring and evaluation	92,537	94,252	-	-	92,537	94,252
	445,582	428,307	-	-	445,582	428,307
Excess of revenue over expenses before the following	1,271,884	1,594,642	7,095	10,623	1,278,979	1,605,265
CEBA loan forgiveness (note 7)	-	20,000	-	-	-	20,000
Contributions to programs						
Payments made to children's programs (note 5)	673,760	894,599	1,500	3,200	675,260	897,799
Donations of gifts-in-kind (note 5)	502,026	184,966	-	-	502,026	184,966
Contributions to capital campaign	15,247	454,879	-	-	15,247	454,879
	1,191,033	1,534,444	1,500	3,200	1,192,533	1,537,644
Excess of revenue over expenses for the year	80,851	80,198	5,595	7,423	86,446	87,621
Fund balances – Beginning of year	293,033	207,118	44,723	43,017	337,756	250,135
Transfer of endowment	14,170	-	(14,170)	-	-	-
Interfund transfers	2,346	5,717	(2,346)	(5,717)	-	-
Fund balances – End of year	390,400	293,033	33,802	44,723	424,202	337,756

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

Peel Children's Aid Foundation

Statement of Cash Flows

For the year ended March 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	86,446	87,621
Items not affecting cash		
Gifts-in-kind received	(502,026)	(217,241)
Donations of gifts-in-kind	502,026	184,966
Loan payable forgiveness	-	(20,000)
	<hr/> 86,446	<hr/> 35,346
Net changes in non-cash working capital items		
Accounts receivable	(5,498)	1,524
Prepaid expenses	(18,381)	4,956
Accounts payable and accrued liabilities	18,671	6,800
Deferred revenue	(72,233)	128,102
	<hr/> 9,005	<hr/> 176,728
Financing activities		
Proceeds from loan	-	60,000
	<hr/> 9,005	<hr/> 236,728
Increase in cash during the year	<hr/> 9,005	<hr/> 236,728
Cash – Beginning of year	854,789	618,061
Cash – End of year	<hr/> <hr/> 863,794	<hr/> <hr/> 854,789

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

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2022

1 Nature and purpose of organization

Peel Children's Aid Foundation (the Foundation) is a not-for-profit organization incorporated on July 8, 2002 without share capital under the laws of the Province of Ontario. The Foundation is a registered charity (registration number 864521240 RR0001) and, as such, is exempt from income taxes and may issue income tax receipts to donors.

While protection services provided by The Children's Aid Society of the Region of Peel (the Society) are funded by the Ontario Ministry of Children and Youth Services, other programs and services of the Society are funded by donations from the public. The mission of the Foundation is to raise funds, including gifts-in-kind, for the benefit of these other programs and services of the Society, which are directed to poverty relief, enrichment and education of children and youth.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and reflect the following policies.

Revenue recognition and funds

- General fund

Donation revenue is recorded in the year to which it relates if receipt is reasonably assured. Revenue relating to specific events and programs that have not yet occurred is recorded as deferred revenue until the event or program takes place. Fundraising for the capital campaign are amounts received pursuant to a campaign to provide funding for the Society's new facility and are recorded as revenue when received.

Donors contribute gifts-in-kind, food and gift vouchers, clothing, toys, etc., and these contributions are recorded as revenue at their fair value. Gift vouchers received are retained by the Foundation and donated to the Society as required to support children's programs. Food vouchers, clothing, toys, etc. are donated to the Society for children's programs when received.

The Foundation's operating and administrative activities are paid from the general fund.

- Endowment funds

Endowment funds are resources contributed for restricted uses, as determined by the donors. Endowment donations and net investment income are recognized as revenue when collection is reasonably assured and when earned.

- Interfund transfers

Interfund transfers from the general to the endowment funds are made by the Foundation to fund any new endowment funds. Transfers from the endowment to the general funds are made when the restricted contributed resources are used for their intended purpose.

Peel Children's Aid Foundation

Notes to Financial Statements

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Contributed services

Volunteers contribute a large number of hours per week to assist the Foundation in carrying out its activities. Despite the fact that without these volunteer hours certain activities would have to be cut back or possibly cancelled, these services would not otherwise be purchased and, as a result, the value of contributed services has not been recognized in these financial statements.

Allocation of expenses

The Foundation allocates certain of its salary and wages expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year.

Financial instruments

Financial assets and financial liabilities are recognized when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are derecognized when the rights and obligations to receive or repay cash flows from the assets and liabilities have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

The Foundation initially recognizes all its financial assets and financial liabilities at fair value and subsequently at amortized cost, except for investments, which are recorded at fair value. Changes in fair value are recognized in the statement of operations and changes in fund balances. Financial assets, at amortized cost, are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3 Deferred revenue

Deferred revenue comprises the following amounts:

	2022	2021
	\$	\$
Corporate donations deferred	60,079	72,684
Donations – bursaries	281,360	278,276
Fundraising events	65,320	128,032
	<hr/>	<hr/>
	406,759	478,992
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Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2022

4 Endowment funds

The following endowment funds were established by donors to fund bursaries or special education needs for children in the care of the Society:

	2022 \$	2021 \$
Independence Achievement Award Fund	29,554	27,389
Jim Ho Bursary Fund	4,248	3,227
Blair Eales Advancement Resource Fund	-	7,114
Firefly Bursary	-	6,993
	<hr/>	<hr/>
	33,802	44,723

The Foundation is the sole beneficiary of funds held at local community foundations. The funds are maintained by the community foundations and annual distributions are made to the Foundation to fund bursaries. The funds are comprised of the following amounts:

	2022 \$	2021 \$
Community Foundation of Mississauga		
Peel Children's Aid Foundation Fund	102,752	60,157
Brampton and Caledon Community Foundation		
Robert Armstrong Memorial Fund	52,845	49,710
Carl Ingebertson Child Welfare Bursary Fund	61,048	56,552
	<hr/>	<hr/>
	216,645	166,419

The Foundation is entitled to the interest revenue earned year over year from the endowment funds, which are to be used as bursaries and other special education needs. The Foundation is restricted from using the principal portion of the funds for any activity other than earning interest income.

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2022

5 Contributions to programs for children

The Foundation works with the Society to identify programs requiring funding. These programs are funded from general donations raised and from donations for which the donor has specifically identified a children's program.

The programs supported are:

	2022	2021
	\$	\$
Payments made		
Bursaries	227,776	190,754
Holiday Wishes	139,541	121,901
Infant Wellness Program	30,151	36,603
Skills for Success	35,577	75,250
Wishes 4 Kids	48,212	30,655
Poverty Relief	-	800
Foster Care Kits	40,692	20,804
COVID-19 Program	78,150	366,920
Clothing distribution program	75,161	54,112
	<hr/>	<hr/>
	675,260	897,799
Donations of gifts-in-kind		
Holiday Wishes and Poverty Program	502,026	184,966
	<hr/>	<hr/>
	1,177,286	1,082,765

6 COVID-19

On March 11, 2020, the World Health Organization characterized the novel coronavirus (COVID-19) as a global pandemic. The outbreak has resulted in various public health and emergency measures, which were still in effect post year-end. The duration and impact of the COVID-19 pandemic is unknown at this time. It is not possible to reliably estimate the length and severity of these measures to quantify the impact this pandemic may have on the financial results and condition of the Foundation in future periods. Management continues to analyze the extent of the financial impact; however, the duration and severity of the COVID-19 pandemic could result in material changes to estimates and assumptions.

7 Loan payable

The Foundation received a \$60,000 Canada Emergency Business Account (CEBA) loan in 2020. CEBA is a COVID-19 interest-free relief loan that is due December 31, 2022. There are no set terms of repayment. \$20,000 of the CEBA loan has been recognized as forgivable and will remain eligible for forgiveness if the balance remaining by the due date is at or below \$40,000. If the balance has not been paid and forgiven by the original due date, interest at a rate of 5% per annum will be charged effective January 1, 2023. If the loan remains outstanding after December 31, 2022, only interest payments are required until the full principal is due on December 31, 2025.