

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Independent Auditors' Report**  
**Statement of Financial Position**  
**Statement of Revenues and Expenses**  
**Statement of Net Assets**  
**Statement of Cash Flows**  
**Notes to Financial Statements**

## INDEPENDENT AUDITORS' REPORT

To the Members of:  
Children's Aid Foundation of Ottawa

### Qualified Opinion

We have audited the financial statements of Children's Aid Foundation of Ottawa, which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of changes in net assets and cash flows statement 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 Children's Aid Foundation of Ottawa as at December 31, 2023, and the results of its operations and 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, Children's Aid Foundation of Ottawa derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenues over expenses, assets and net assets for both December 31, 2023 and the previous year.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity 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 audit 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 statement 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## **Auditors' Responsibilities for the Audit of 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 auditors' 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 audit 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 controls.
- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.

Frouin Group Professional Corporation  
Ottawa, Ontario  
TBD

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**AUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	General Fund	Restricted Fund	2023	2022
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 150,535	\$ 0	<b>\$ 150,535</b>	\$ 211,195
Short-term investments (Note 2f)	307,037	0	<b>307,037</b>	420,770
Accounts receivable	3,500	0	<b>3,500</b>	17,332
Prepaid expenses	5,975	0	<b>5,975</b>	500
GST/HST recoverable	14,829	0	<b>14,829</b>	10,765
Held by General Fund in trust	<u>(720,818)</u>	<u>720,818</u>	<u><b>0</b></u>	<u>0</u>
<b>LONG-TERM INVESTMENTS</b>				
(Note 2f)	<u>876,905</u>	<u>0</u>	<u><b>876,905</b></u>	<u>745,793</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>637,963</u></b>	<b>\$ <u>720,818</u></b>	<b>\$ <u>1,358,781</u></b>	<b>\$ <u>1,406,355</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 56,568	\$ 0	<b>\$ 56,568</b>	\$ 83,678
<b>UNEARNED REVENUE</b>	<u>0</u>	<u>5,000</u>	<u><b>5,000</b></u>	<u>10,000</u>
<b>TOTAL LIABILITIES</b>	<u>56,568</u>	<u>5,000</u>	<u><b>61,568</b></u>	<u>93,678</u>
<b>NET ASSETS</b>				
Restricted (Note 4)	0	715,818	<b>715,818</b>	814,756
Unrestricted	<u>581,395</u>	<u>0</u>	<u><b>581,395</b></u>	<u>497,921</u>
	<u>581,395</u>	<u>715,818</u>	<u><b>1,297,213</b></u>	<u>1,312,677</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>637,963</u></b>	<b>\$ <u>720,818</u></b>	<b>\$ <u>1,358,781</u></b>	<b>\$ <u>1,406,355</u></b>

**APPROVED ON BEHALF OF THE BOARD:**

Director \_\_\_\_\_

Director \_\_\_\_\_

(See accompanying Notes to Financial Statements)

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**AUDITED STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Unrestricted	Restricted	2023	2022
<b>REVENUES</b>				
Directed Programs	\$ 0	\$ 568,822	\$ <b>568,822</b>	\$ 528,154
Special Events and Donations	520,591	0	<b>520,591</b>	446,984
Interest Revenue	55,578	0	<b>55,578</b>	21,355
In-Kind Donations (Note 3)	<u>34,671</u>	<u>0</u>	<b><u>34,671</u></b>	<u>34,186</u>
<b>TOTAL REVENUES</b>	<u>610,840</u>	<u>568,822</u>	<b><u>1,179,662</u></b>	<u>1,030,679</u>
<b>EXPENSES</b>				
Fundraising Expenses	171,055	0	<b>171,055</b>	140,826
Development & Administration	<u>329,207</u>	<u>0</u>	<b><u>329,207</u></b>	<u>363,144</u>
	<u>500,262</u>	<u>0</u>	<b><u>500,262</u></b>	<u>503,970</u>
Charitable Programs				
Dare to Dream	0	106,769	<b>106,769</b>	91,339
Youth Mental Health	0	24,996	<b>24,996</b>	0
Shanley Shines Fund	0	11,382	<b>11,382</b>	8,000
Exceptional KIN Fund	0	25,000	<b>25,000</b>	0
Camp for Kids	0	50,207	<b>50,207</b>	52,223
Special Needs	0	7,128	<b>7,128</b>	6,395
Children's Aid Society - other (Note 3)	0	105,312	<b>105,312</b>	126,862
Youth Transition	0	99,207	<b>99,207</b>	59,036
Youth Works	0	239,894	<b>239,894</b>	170,905
Wendy's Wonderful Kids	0	0	<b>0</b>	42,500
Foster Care Transition	0	8,553	<b>8,553</b>	21,920
The Doula Program	<u>0</u>	<u>16,416</u>	<b><u>16,416</u></b>	<u>9,700</u>
	<u>0</u>	<u>694,864</u>	<b><u>694,864</u></b>	<u>588,880</u>
<b>TOTAL EXPENSES</b>	<u>500,262</u>	<u>694,864</u>	<b><u>1,195,126</u></b>	<u>1,092,850</u>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<u>\$ 110,578</u>	<u>\$ (126,042)</u>	<b><u>\$ (15,464)</u></b>	<u>\$ (62,171)</u>

(See accompanying Notes to Financial Statements)

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**AUDITED STATEMENT OF NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>NET ASSETS RESTRICTED FOR CHARITABLE PROGRAMS</b>		
<b>Balance - beginning of year</b>	<b>\$ 814,756</b>	<b>\$ 810,079</b>
Deficiency of revenues over expenses for the year	<b>(126,042)</b>	(60,726)
Transfers from unrestricted net assets (Note 4)	<u><b>27,104</b></u>	<u>65,403</u>
<b>Balance - end of year</b>	<b><u>\$ 715,818</u></b>	<b><u>\$ 814,756</u></b>
<b>UNRESTRICTED NET ASSETS</b>		
<b>Balance - beginning of year</b>	<b>\$ 497,921</b>	<b>\$ 564,769</b>
Excess of revenues/(deficiency) over expenses for the year	<b>110,578</b>	(1,445)
Transfer to restricted net assets (Note 4)	<u><b>(27,104)</b></u>	<u>(65,403)</u>
<b>Balance - end of year</b>	<b><u>\$ 581,395</u></b>	<b><u>\$ 497,921</u></b>

**(See accompanying Notes to Financial Statements)**

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**AUDITED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses for the year	\$ (15,464)	\$ (62,171)
Cash flows from current operating items	<u>(27,817)</u>	<u>(15,192)</u>
	<u>(43,281)</u>	<u>(77,363)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	<u>(17,379)</u>	<u>(324,442)</u>
 <b>NET CHANGE IN CASH</b>	 (60,660)	 (401,805)
<b>CASH, beginning of year</b>	<u>211,195</u>	<u>613,000</u>
<b>CASH, end of year</b>	<b>\$ <u>150,535</u></b>	<b>\$ <u>211,195</u></b>
 <b>REPRESENTED BY:</b>		
Cash	<b>\$ <u>150,535</u></b>	<b>\$ <u>211,195</u></b>

(See accompanying Notes to Financial Statements)

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**NOTES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. ORGANIZATION**

The Children's Aid Foundation of Ottawa / La Fondation de l'aide à l'enfance d'Ottawa is responsible for raising additional funds for the activities of the Children's Aid Society of Ottawa over and above the current revenue which it receives from the Provincial Government. The Foundation was incorporated June 30, 1988 as a not-for-profit organization under the Ontario Corporations Act and is a registered charity under the Income Tax Act and, as such, is exempt from income tax taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

**a. Capital assets**

Computer equipment is recorded at cost and is amortized on a straight-line basis over three years. Currently, all capital assets are fully-amortized.

**b. Contributed materials and services**

Contributions received in the form of materials and services are recorded at fair value at the date of contribution when the fair value can be reasonably estimated and when the materials and services are used in the normal course of operations.

Volunteers contribute a significant amount of time in carrying out the Foundation's activities. Since these services are not normally purchased by the organization and because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

**c. Revenue recognition**

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue as they are received or considered receivable, in the appropriate fund. Unrestricted contributions are recognized as revenue of the appropriate fund when receivable or received if the amount to be received can be reasonably estimated and collection is reasonably assured.

**d. Estimates and assumptions**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results may differ from those estimates.



**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**NOTES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Financial instruments**

The carrying value of cash, accounts receivable, HST recoverable, and accounts payable approximate their fair value because of the relatively short period to maturity of the instruments.

**f. Short-term and long-term investments**

The Foundation carries its short-term and long-term investments at fair value. Any gains or losses, realized and unrealized, are recorded in revenue. Cash balances in the investment accounts are reflected in the investment balances.

**g. Allocation of expenses**

The Foundation engages in programs to raise additional funds in support of the activities of the Children's Aid Society of Ottawa that are not otherwise covered by their government funding.

The Foundation incurs fundraising and administration expenses that are common to each of its programs - including fundraising expenses, corporate governance, general management and general support.

**h. Fund accounting**

The accounts of the Foundation are prepared using the restricted fund method and are classified for reporting purposes into funds in accordance with activities or objectives as specified by the donors or in accordance with the directives issued by the Board of Directors. For financial reporting purposes, the funds have been classified into two funds consisting of restricted and unrestricted general funds. The restricted fund includes major gifts and donations, the use of which is restricted by donors to various charitable programs. The unrestricted general fund includes day-to-day transactions of the Foundation and all administrative expenditures.

**3. RELATED PARTY TRANSACTIONS**

The Children's Aid Society of Ottawa provides free office space and other services to the Foundation. The fair value of this contribution is estimated to be \$34,671 (2022: \$34,186) and has been recorded both as in-kind donations revenue and as an administration expense. Charitable disbursements made to the Children's Aid Society of Ottawa during the year totaled \$105,312 (2022: \$126,862).

At year end, the Foundation owed \$26,273 to the Children's Aid Society of Ottawa (2022: \$51,639).

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**NOTES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**4. RESTRICTED NET ASSETS**

	<b>Balance Dec. 31, 2022</b>	<b>Donations Received</b>	<b>Distributions</b>	<b>Transfers</b>	<b>Balance Dec. 31, 2023</b>
Dare to Dream	\$ 446,235	\$ 44,341	\$ 106,769	\$ 0	\$ 383,807
Camp for Kids	0	50,748	50,207	0	541
Special Needs Fund	20,470	0	7,128	0	13,342
Holiday Gift Program	2,000	33,150	50,403	15,253	0
Cookie Jar	2,856	41,319	54,910	10,735	0
CAST	3,794	0	0	0	3,794
Shanley Shines Fund	15,942	4,793	11,382	0	9,353
Exceptional Kinship Fund	0	75,000	25,000	0	50,000
Youth Works	166,465	269,091	239,894	0	195,662
Youth Transition	92,938	29,781	99,207	0	23,512
Foster Care Transition	23,756	15,600	8,553	0	30,803
Doula Program	15,300	0	16,416	1,116	0
Youth Mental Health	25,000	5,000	24,996	0	5,004
	<u>\$ 814,756</u>	<u>\$ 568,823</u>	<u>\$ 694,865</u>	<u>\$ 27,104</u>	<u>\$ 715,818</u>

**5. FINANCIAL RISK MANAGEMENT POLICY**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks as at December 31, 2023:

**a. Credit risk**

The Foundation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Foundation's maximum exposure to credit risk represents the sum of the carrying value of its cash and equivalents, accounts receivable and investments. The Foundation's cash and equivalents are deposited with Canadian Chartered banks and as a result management believes the risk of loss on these items is remote. The accounts receivable is expected to be collected.

**b. Currency risk**

The Foundation's functional currency is the Canadian dollar. The Foundation does not enter into foreign currency transactions and does not use foreign exchange forward contracts.

**CHILDREN'S AID FOUNDATION OF OTTAWA**  
**NOTES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**5. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)**

**c. Liquidity risk**

The Foundation manages its liquidity risk by regularly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable are normally paid within 30 days.

**d. Interest rate risk**

The Foundation is exposed to interest rate risk with regards to its cash and investments. The Foundation has no interest-bearing liability. Fluctuations in market rates of interest on cash do not have a significant impact on the Foundation's results of operations. Investments are in equity mutual funds and returns on this can vary (see Note 2f). An ongoing review is performed to evaluate changes in the status of investments under the Foundation's investment policy.

**6. COMMITMENTS**

The Foundation has entered into an ongoing agreement with Bloomerang for donor management and fundraising software services. Total minimum recurring fees will be \$3,586 USD per year.

In preparation for 2024 World Trivia Night, the Foundation has entered an agreement with the Shaw Centre for accommodations and facility rentals in the amount of \$14,939 (not including HST).

Additionally, the Foundation has also entered an agreement with LAGO for a Dinner and Wine Pairing event that is to take place on May 15, 2024. The contractual commitment related to this event amounts to \$14,000 plus HST.

**7. INCOMING BEQUEST**

In August 2023, the Foundation became aware that they will be recipients of a large bequest from a long-time donor. In November 2023, the executor indicated that they could release a portion of the funds early in 2024 and requested a proposal on how the Foundation would use the funds. The Foundation presented a \$500,000 proposal to be used within their restricted programs in 2024 that was accepted by the executor in December 2023. The funds were deposited into the Foundation's bank in January 2024. An endowment will be established with the remaining funds which are anticipated to be received in Q4 of 2024.