

**Kawartha-Haliburton Children's Foundation**  
**Financial Statements**  
**For the Year Ended December 31, 2024**

---

**Contents**

<b>Independent Auditor's Report</b>	<b>2 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Fund Balances	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12

To the Directors of Kawartha-Haliburton Children's Foundation:

### Qualified Opinion

We have audited the financial statements of Kawartha-Haliburton Children's Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances and cash flows 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 the Foundation 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 Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years.

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 Foundation 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.

### Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed qualified on those statements on April 3, 2025 for the reasons described in the Basis for Qualified Opinion paragraph.

### 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.

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.

Peterborough, Ontario

June 23, 2025

*MNP LLP*

Chartered Professional Accountants


Licensed Public Accountants

**MNP**

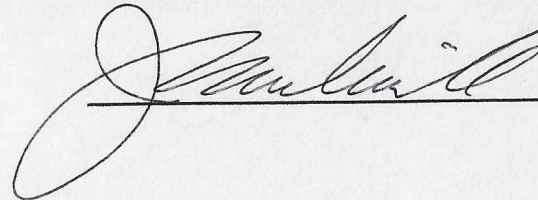
## Kawartha-Haliburton Children's Foundation Statement of Financial Position

December 31	Operating Fund	Restricted Fund	Endowment Fund	2024 Total	2023 Total
<b>Assets</b>					
<b>Current</b>					
Cash	\$ 161,262	\$ -	\$ -	\$ 161,262	\$ 123,667
Short-term investments (Note 2)	-	75,429	48,477	123,906	262,892
Accounts receivable	3,516	-	-	3,516	5,730
Prepaid expenses	14,500	-	-	14,500	27,607
Interfund loans	(5,934)	5,934	-	-	-
	173,344	81,363	48,477	303,184	419,896
<b>Long-term investments (Note 2)</b>	-	349,664	224,727	574,391	485,234
	\$ 173,344	\$ 431,027	\$ 273,204	\$ 877,575	\$ 905,130
<b>Liabilities and Net Assets</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 8,314	\$ -	\$ -	\$ 8,314	\$ 9,895
Deferred contributions (Note 3)	165,030	-	-	165,030	212,475
	173,344	-	-	173,344	222,370
<b>Net Assets</b>					
Externally restricted	-	-	273,204	273,204	273,204
Internally restricted	-	431,027	-	431,027	409,556
	-	431,027	273,204	704,231	682,760
	\$ 173,344	\$ 431,027	\$ 273,204	\$ 877,575	\$ 905,130

On behalf of the Board:



Director



Director

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

## Kawartha-Haliburton Children's Foundation Statement of Changes in Fund Balances

For the year ended December 31	Operating Fund	Restricted Fund	Endowment Fund	2024 Total	2023 Total
Balance, beginning of the year	-	409,556	273,204	682,760	758,534
Excess (deficiency) of revenues over expenses	21,471	-	-	21,471	(75,774)
Interfund transfers (Note 4)	(21,471)	21,471	-	-	-
Balance, end of the year	\$ -	\$ 431,027	\$ 273,204	\$ 704,231	\$ 682,760

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

## Kawartha-Haliburton Children's Foundation Statement of Operations

For the year ended December 31	Operating Fund	Restricted Fund	Endowment Fund	2024	2023
<b>Revenue</b>					
Donation revenue	\$ 482,643	\$ -	\$ -	\$ 482,643	\$ 322,192
Fundraising events	25,631	-	-	25,631	19,735
Grant revenue (Note 5)	83,424	-	-	83,424	53,404
Santa's Sleigh	34,030	-	-	34,030	17,475
Membership fees	110	-	-	110	40
Gifts in kind - advertising and program supplies	25,739	-	-	25,739	43,824
	<b>651,577</b>	<b>-</b>	<b>-</b>	<b>651,577</b>	<b>456,670</b>
<b>Expenses</b>					
Bursaries	199,100	-	-	199,100	129,975
Camp and other needs	285,161	-	-	285,161	241,542
Gifts in kind - advertising and program supplies	25,739	-	-	25,739	43,824
Marketing and fundraising expenses	19,168	-	-	19,168	29,040
Office expenses	10,542	-	-	10,542	9,499
Professional fees	18,051	-	-	18,051	14,651
Salaries and benefits	132,642	-	-	132,642	117,651
	<b>690,403</b>	<b>-</b>	<b>-</b>	<b>690,403</b>	<b>586,182</b>
<b>Excess (deficiency) of revenues over expenses before other income</b>	<b>(38,826)</b>	<b>-</b>	<b>-</b>	<b>(38,826)</b>	<b>(129,512)</b>
<b>Other income</b>					
Interest, dividends and other investment income	37,215	-	-	37,215	26,084
Gain on investments	23,082	-	-	23,082	27,654
	<b>60,297</b>	<b>-</b>	<b>-</b>	<b>60,297</b>	<b>53,738</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 21,471</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,471</b>	<b>\$ (75,774)</b>

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

## Kawartha-Haliburton Children's Foundation Statement of Cash Flows

For the year ended December 31	2024	2023
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ 21,471	\$ (75,774)
Items not affecting cash:		
Gain on investments	(23,082)	(27,654)
	(1,611)	(103,428)
Changes in non-cash working capital:		
Accounts receivable	2,214	1,278
Prepaid expenses	13,107	(8,844)
Accounts payable and accrued liabilities	(1,581)	(1,503)
Deferred contributions	(47,445)	85,450
	(35,316)	(27,047)
<b>Cash flows from investing activities</b>		
Net change in investments	72,911	(116,028)
<b>Net increase (decrease) in cash</b>	37,595	(143,075)
<b>Cash, beginning of the year</b>	123,667	266,742
<b>Cash, end of the year</b>	\$ 161,262	\$ 123,667

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

---

# Kawartha-Haliburton Children's Foundation

## Notes to Financial Statements

December 31, 2024

---

### 1 .Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<p>The Foundation is a non-profit organization incorporated on March 4, 1982 without share capital under the laws of Ontario. The Foundation was formed to generate and manage donation funds and other gifts to enrich the quality of life of children found in need of protection by the Kawartha-Haliburton Children's Aid Society.</p> <p>The Foundation is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Fund Accounting</b>	<p>The Foundation follows the deferral method of accounting for contributions and uses fund accounting.</p> <p>Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.</p> <p>The Restricted Fund reports contributions for special purposes which are internally restricted.</p> <p>Endowment contributions are reported in the Endowment Fund and are recognized in direct increases in net assets.</p>
<b>Revenue Recognition</b>	<p>Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Unrestricted net investment income is recognized as revenue of the Operating Fund as earned. If the terms of a restricted contribution also restricts any related investment income it is recognized as revenue of the appropriate fund as it is earned</p>



---

## Kawartha-Haliburton Children's Foundation

### Notes to Financial Statements

December 31, 2024

---

#### 1. Significant Accounting Policies (continued)

**Contributed Materials and Services** Contributed materials and services which are used in the normal course of the Foundation's operations and would have otherwise been purchased are recorded at fair value at the date of contribution.

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

These financial statements do not reflect the substantial value of gifts donated by the community as part of the Santa's Sleigh, due to the difficulty in determining their fair value.

**Financial Instruments** Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, investments are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

**Tangible Capital Assets** Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

---

---

## Kawartha-Haliburton Children's Foundation Notes to Financial Statements

**December 31, 2024**

---

### 2. Investments

Investments are comprised of the following:

	<u>2024</u>	<u>2023</u>
Short-term investments:		
Cash and money market funds	\$ 16,597	\$ 161,252
Fixed income	<u>107,309</u>	<u>101,640</u>
	123,906	262,892
Long-term investments:		
Fixed income	344,407	314,672
Canadian equity funds	121,378	95,653
United States equity funds	57,832	37,205
Foreign equity funds	<u>50,774</u>	<u>37,704</u>
	<u>574,391</u>	<u>485,234</u>
	<u><b>\$ 698,297</b></u>	<u><b>\$ 748,126</b></u>

---

### 3. Deferred Contributions

Deferred contributions represent restricted operating funding received in the current period that is related to expenses of a subsequent period.

Deferred contributions are comprised of the following:

	<u>2024</u>	<u>2023</u>
Bursary program	\$ 65,793	\$ 94,935
Deferred grants:		
Children's Aid Foundation of Canada	19,535	34,334
Community Foundation of Greater Peterborough	-	5,575
Restricted donations	<u>79,702</u>	<u>77,631</u>
	<u><b>\$ 165,030</b></u>	<u><b>\$ 212,475</b></u>

---

---

## Kawartha-Haliburton Children's Foundation

### Notes to Financial Statements

December 31, 2024

---

#### 4. Interfund Transfers and Internal Restrictions on Net Assets

During 2014, the Foundation's board of directors approved the creation of a Restricted Fund, which is a budget stabilization fund to be held to offset future operating deficits. During the year the board of directors transferred \$21,471, from the Operating Fund to the Restricted Fund (2023 - \$75,774 from Restricted Fund to the Operating Fund). These internally restricted amounts are not available for other purposes without approval of the board of directors.

---

#### 5. Grant Revenue

Grants are recorded as income when the criteria for earning them have been met and are otherwise deferred. Grant revenues are comprised of the following:

	2024	2023
Federal government grants:		
Employment and Social Development Canada	\$ 4,750	\$ 10,096
Other grants:		
Children's Aid Foundation of Canada	64,654	39,008
Community Foundation of Greater Peterborough	11,875	4,300
	<u>\$ 81,279</u>	<u>\$ 53,404</u>

---

#### 6. Related Party Transactions

The Kawartha-Haliburton Children's Aid Society is a child protection agency mandated under the Child, Youth and Family Services Act in Ontario and is responsible for the care and protection of children in the Cities of Peterborough and Kawartha Lakes and the Counties of Peterborough and Haliburton. Kawartha-Haliburton Children's Foundation generates and manages donation funds and other gifts to enrich the quality of life of children found in need of protection by the Kawartha-Haliburton Children's Aid Society. As the Foundation's purpose is integrated with that of the Kawartha-Haliburton Children's Aid Society, the two organizations are related.

Kawartha-Haliburton Children's Aid Society owns the building in which the Foundation operates. Office space is provided to the Foundation on a rent-free basis. No amount related to these transactions was recognized in the financial statements.

During the year, The Foundation transferred \$7,500 (2023 - \$Nil) in cash to Kawartha-Haliburton Children's Aid Society to fund wellness and nutrition initiatives, which is included in camp and other needs expense.

---

---

## Kawartha-Haliburton Children's Foundation

### Notes to Financial Statements

December 31, 2024

---

#### 7. Kawartha-Haliburton Children's Fund

During 2022, the Foundation contributed \$150,000 to the Community Foundation of Greater Peterborough (CFGF) for the creation of the Kawartha-Haliburton Children's Fund (the Fund) that is managed by CFGF on a long-term basis. The purpose of the Fund is to support the programs, services and operations of Kawartha-Haliburton Children's Foundation. The Fund is managed by professional investment advisors and is controlled and monitored by CFGF. Annually, CFGF will determine the amount available for distribution from the Fund and make distributions in accordance with established policies, at their discretion.

---

#### 8. Financial Instruments

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk arising from all of its bank accounts being held at one financial institution.

There have not been any changes in the risk from the prior year.

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation is exposed to market risk through its investments in quoted shares and mutual funds. The Foundation manages market risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis.

There have not been any changes in the risk from the prior year.

---