

# **Federation of Foster Families of Nova Scotia**

**Financial Statements**

**March 31, 2022**

# Federation of Foster Families of Nova Scotia

March 31, 2022

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T 902.463.9571  
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G&R CPA  
3 Spectacle Lake Drive  
Suite 230  
Dartmouth, NS B3B 1W8

## INDEPENDENT AUDITORS' REPORT

To the Members of the  
Federation of Foster Families of Nova Scotia

### Opinion

We have audited the financial statements of the Federation of Foster Families of Nova Scotia, which comprise the balance sheet as at March 31, 2022 and the statement of net assets, statement of operations and the statement of 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 Federation of Foster Families of Nova Scotia 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in *Auditor's Responsibilities for Audit of the Financial Statements* section of our report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 the 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 Federation'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 Federation or cease operations, or has no realistic alternative but to do so.

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

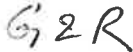
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatements 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.

- Obtaining 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 Federation'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 involves performing procedures to obtain audit evidence about the amounts and 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 Federation to cease to continue as a going concern.

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.



**G&R CHARTERED PROFESSIONAL ACCOUNTANTS**  
*Licensed Public Accountants*

Dartmouth, Nova Scotia  
May 24, 2022

# Federation of Foster Families of Nova Scotia

Balance Sheet

March 31, 2022

	General Fund \$	Memorial Fund \$	Because You Care Fund \$	March 31, 2022 \$	March 31, 2021 \$
<b>Assets</b>					
<b>Current Assets</b>					
Cash	64,799	-		64,799	85,635
Restricted cash (note 3)	4,582	2,073	3,252,099	3,258,754	3,470,381
HST Receivable	10,447	-		10,447	8,743
<b>Furniture and Equipment (note 4)</b>	79,828	2,073	3,252,099	3,334,000	3,564,759
	31,280	-		31,280	11,018
<b>Total Assets</b>	111,108	2,073	3,252,099	3,365,280	3,575,777
<b>Liabilities</b>					
Accounts payable and accrued liabilities	8,374	-		8,374	10,122
<b>Net Assets</b>					
Net assets invested in furniture and equipment	31,280	-	-	31,280	11,018
Unrestricted net assets (deficiency)	66,872	-	-	66,872	84,256
Externally restricted net assets	4,582	2,073	3,252,099	3,258,754	3,470,381
<b>Total Net Assets</b>	102,734	2,073	3,252,099	3,356,906	3,565,655
<b>Total Liabilities and Net Assets</b>	111,108	2,073	3,252,099	3,365,280	3,575,777

SIGNED ON BEHALF OF THE FEDERATION

Member

Member

# Federation of Foster Families of Nova Scotia

## Statement of Operations

For the Year Ended March 31, 2022

	General Fund \$	Memorial Fund \$	Total 2022 \$	Total 2021 \$
<b>Revenue</b>				
Province of Nova Scotia	903,919	-	903,919	765,200
Interest	8,621	-	8,621	14
Other	-	1,314	1,314	490
<b>Total Revenue</b>	<b>912,540</b>	<b>1,314</b>	<b>913,854</b>	<b>765,704</b>
<b>Expenses</b>				
Amortization	8,438	-	8,438	4,037
Audit and legal	33,934	-	33,934	21,664
Bank charges	2,789	24	2,813	2,181
Board of directors' expenses	22,328	-	22,328	12,048
Bursaries disbursed	-	-	-	600
Communications	14,613	-	14,613	12,351
Insurance	22,317	-	22,317	18,860
Meetings and conferences	609	-	609	23,234
Office and postage	22,655	-	22,655	21,312
Rent	55,450	-	55,450	59,447
Salaries and benefits	574,268	-	574,268	388,117
Staff training	824	-	824	148
Staff travel and expenses	7,185	-	7,185	5,527
Training expenses (schedule)	137,153	-	137,153	99,251
<b>Total Expenses</b>	<b>902,563</b>	<b>24</b>	<b>902,587</b>	<b>668,777</b>
<b>Excess of Revenue Over Expenses for the Year</b>	<b>9,977</b>	<b>1,290</b>	<b>11,267</b>	<b>96,927</b>

# Federation of Foster Families of Nova Scotia

## Statement of Net Assets

For the Year Ended March 31, 2022

	General Fund \$	Memorial Fund \$	Because You Care Fund \$	Total 2022 \$	Total 2021 \$
<b>Net Assets - Beginning of Year</b>	99,872	783	3,465,000	3,565,655	3,747
Decrease in externally restricted net assets	(7,115)	-	(212,901)	(220,016)	(19)
Excess of revenue over expenses for the year	9,977	1,290	-	11,267	3,561,927
<b>Net Assets - End of Year</b>	<b>102,734</b>	<b>2,073</b>	<b>3,252,099</b>	<b>3,356,906</b>	<b>3,565,655</b>

# Federation of Foster Families of Nova Scotia

## Statement of Cash Flows

For the Year Ended March 31, 2022

	General Fund \$	Memorial Fund \$	Because You Care Fund \$	Total 2022 \$	Total 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Excess of revenue over expenses for the year	9,977	1,290	-	11,267	3,561,927
Adjustments to operations not involving cash -					
Amortization	8,438	-	-	8,438	4,037
Changes in non-cash working capital -	18,415	1,290	-	19,705	3,565,964
Decrease (Increase) in HST receivable	(1,704)	-	-	(1,704)	765
Decrease in externally restricted net assets	(7,115)	-	-	(7,115)	(19)
Increase (Decrease) in accounts payable and accrued liabilities	(1,748)	-	-	(1,748)	102
Decrease (Increase) in bank indebtedness	-	-	-	-	(3,834)
Decrease in the Because You Care Fund	-	-	(212,901)	(212,901)	-
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,848</b>	<b>1,290</b>	<b>(212,901)</b>	<b>(203,763)</b>	<b>3,562,978</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of capital assets	(28,700)	-	-	(28,700)	(12,491)
<b>INCREASE (DECREASE) IN CASH</b>	<b>(20,852)</b>	<b>1,290</b>	<b>(212,901)</b>	<b>(232,463)</b>	<b>3,550,487</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>90,233</b>	<b>783</b>	<b>3,465,000</b>	<b>3,556,016</b>	<b>5,529</b>
<b>CASH - END OF YEAR</b>	<b>69,381</b>	<b>2,073</b>	<b>3,252,099</b>	<b>3,323,553</b>	<b>3,556,016</b>



# Federation of Foster Families of Nova Scotia

## Notes to the Financial Statements

For the Year Ended March 31, 2022

Federation of Foster Families of Nova Scotia (the "Federation") was incorporated under the Nova Scotia Society's Act as a registered charity organization, exempt from income tax, to provide support, advocacy services, training and development to foster families in Nova Scotia.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

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

#### Financial Instruments

The financial assets and liabilities are initially recorded at fair value. The Federation subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in net income

#### Fund Accounting

The Federation follows the fund method of accounting for contributions:

##### General Fund

The General Fund summarizes those activities relating to the overall operations of the Federation and Training Program expenses.

##### Memorial Fund

The Memorial Fund accounts for donations and payment of bursaries to assist children-in-care; former children-in-care and birth/adoptive children of foster parents in continuing their post-secondary education.

##### Because You Care Fund

Because You Care Fund is a fund that pays \$5,000 to new and returning Foster Parents.

#### Deferral Accounting

The Federation follows the deferral method of accounting for specific projects. Under the deferral method, revenue is recognized when expenses directly related to the revenue are incurred.

#### Revenue Recognition

Donations, interest and other income are recognized as revenue when received. Revenue from fundraising or other sources is recognized when received or receivable if collection is reasonably assured. The Federation recognizes as revenue grants from the Province of Nova Scotia in the year to which the funding pertains. The value of donated labour and volunteer services is not recorded in these financial statements.

#### Cash

The Federation defines cash as the amount of cash on hand and cash on deposit net of cheques that are issued and outstanding at the end of the year.

#### Cash Flows

The Federation prepares the statement of cash flows on a net cash basis and reports cash flows from operating and financing activities using the indirect method.

... (continued) ...

# Federation of Foster Families of Nova Scotia

## Notes to Financial Statements

For the Year Ended March 31, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES . . . (continued)

#### Furniture and Equipment

Amortization of capital assets is calculated using the declining balance method at the annual rate of 20% for equipment and office furniture and 30% and 55% for computers.

Capital assets purchased through the General Fund have been capitalized and all other capital assets are expensed as incurred. The amount of capital assets expensed is \$8,438 (2021 - \$4,037).

#### Impairment of Long-lived Assets

Furniture and Equipment subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the projected future net cash flows resulting from its use and eventual disposition. The impairment loss, if any is measured as the amount by which the carrying amount of the asset exceeds its fair value.

#### Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at March 31, 2022 and the reported amount of revenues and expenses for the year then ended. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

### 2. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The significant financial risks to which the Federation is exposed are credit risk and liquidity risk.

#### Credit Risk

Financial instruments that potentially subject the company to credit risk consist of cash and accounts receivable. The Federation uses reputable institutions for cash and believes the risk of loss to be remote.

#### Liquidity Risk

Liquidity risk is the risk that the Federation will encounter difficulty in meeting obligations associated with financial liabilities. The Federation is exposed to liquidity risk arising primarily from accounts payable. The Federation's approach to managing liquidity risk is to ensure that it always has sufficient cash flows, cash on hand and credit facilities to meet its operating obligations

### 3. EXTERNALLY RESTRICTED CASH

The Federation has restricted the use of \$4,582 (2020 - \$4,598) to enable foster parents in the Western Region to access training that is not normally funded by Department of Community Services.

# Federation of Foster Families of Nova Scotia

## Notes to Financial Statements

For the Year Ended March 31, 2022

### 4. FURNITURE AND EQUIPMENT

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net</b>	<b>2021 Net</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equipment and office furniture	101,228	75,006	26,222	1,338
Computers	89,048	83,990	5,058	9,680
	190,276	158,996	31,280	11,018

### 5. LEASE COMMITMENTS

The Federation has the following minimum lease commitments under a long-term premises lease ending October 2027.

	<b>\$</b>
Year ending March 31, 2023	29,684
2024	30,494
2025	31,053
2026	31,835
2027	32,533

The Federation is also committed to pay a portion of common area costs and property tax along with its rent.

# Federation of Foster Families of Nova Scotia

## Schedule of Training Expenses For the Year Ended March 31, 2022

	2022	2021
	\$	\$
<b>EXPENSES</b>		
Administration	30,782	19,513
Non-violent crisis intervention	10,806	10,551
First Aid	1,125	1,835
Foster parents travel and expenses	44,036	27,265
Sensitivity	42	77
Trainers' honorarium	29,585	22,225
Trainers' travel and expenses	20,777	17,785
	137,153	99,251