

**CAPITALIZE FOR KIDS**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**



**CAPITALIZE FOR KIDS**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of  
**Capitalize for Kids**

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Capitalize for Kids, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets and 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 Capitalize for Kids as at December 31, 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.

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 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 opinion.



## INDEPENDENT AUDITORS' REPORT (Continued)

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### *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.

### *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.



## INDEPENDENT AUDITORS' REPORT (Continued)

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- 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.

**KRIENS~LAROSE, LLP**

**KRIENS~LAROSE, LLP**

**Chartered Professional Accountants  
Licensed Public Accountants**

April 3, 2024  
Toronto, Ontario




CAPITALIZE FOR KIDS  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

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	2023 \$	2022 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	799,668	815,863
Accounts receivable (Note 2)	444,076	79,753
Government remittance receivable	700	8,599
Prepaid expenses	24,722	5,724
	1,269,166	909,939
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	68,117	214,881
Due to Capitalize for Kids Foundation (Note 3)	650,790	308,855
Deferred revenue (Note 4)	102,500	-
	821,407	523,736
<b>NET ASSETS</b>		
Unrestricted net assets	447,759	386,203
	1,269,166	909,939

APPROVED ON BEHALF OF THE BOARD:

  
 SS3CTRX7VJNVJZE8  
 Ted Garrard, Director

  
 Kyle MacDonald, Director



See accompanying notes to the financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023 \$	2022 \$
<b>REVENUES</b>		
Corporate sponsors	1,143,026	996,800
Investors Conference	828,783	689,745
Strides Toronto (Note 5)	146,103	44,975
Investment income	8,649	2,400
Gain (loss) on foreign exchange	(2,450)	3,001
	2,124,111	1,736,921
<b>EXPENSES</b>		
Wages and benefits	619,573	588,560
Donation to Capitalize for Kids Foundation (Note 3)	600,000	475,000
Investors Conference expenses	380,630	343,774
Office	145,854	82,386
Legal and Audit	99,066	68,619
Strides Toronto	96,200	45,037
Advertising and promotion	70,986	5,005
Event management	33,867	24,715
Processing fees	15,638	25,246
Interest and bank charges	741	714
	2,062,555	1,659,056
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	61,556	77,865
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	386,203	308,338
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	447,759	386,203



CAPITALIZE FOR KIDS  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

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	2023	2022
	\$	\$
<b>CASH WAS PROVIDED BY (USED IN):</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from corporate sponsors	1,248,351	993,975
Cash receipts from Investors Conference	713,907	642,269
Cash receipts from other revenue	77,700	32,051
Cash paid to suppliers and employees	(2,053,703)	(1,259,721)
	(13,745)	408,574
Foreign exchange gain (loss) on cash and cash equivalents held in foreign currency	(2,450)	3,001
Change in cash and cash equivalents	(16,195)	411,575
Cash and cash equivalents, beginning of year	815,863	404,288
Cash and cash equivalents, end of year	799,668	815,863



See accompanying notes to the financial statements



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## PURPOSE OF THE ORGANIZATION

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Capitalize for Kids (“the Organization”) is a not-for-profit organization whose purpose is to be a permanent and growing source of capital and resource support for the Capitalize for Kids Foundation mission work.

The Organization’s main revenue generating initiatives are the Investors Conference and the Bay Street Games.

The Investors Conference is Canada’s top best ideas and capital introduction conference where top portfolio managers donate their time to present best ideas and subject matter experts discuss key issues on panels. The Organization earns revenues from tickets sold to investors or other interested individuals who pay to hear these ideas and panels, and also to meet managers and allocators. Additional funds are also derived from sponsorship and/or donations from individuals and institutions.

The Bay Street Games is an annual one-day fundraising event where participants create teams and raise money to compete in athletic competitions. The Organization earns revenues from fundraising and sponsorships.

The Organization, which is incorporated under the Canada Not for Profits Corporations Act, is exempt from income taxes.

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

### Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Capitalize for Kids Foundation

Continued...



## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments in a high-interest savings account with maturities of less than 90 days. Short-term investments are comprised of cash and mutual/segregated funds. Short-term investments are recorded and carried at fair market value.

### Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

### Revenue Recognition

The Organization uses the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred and when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Fees earned from the sale of Investors Conference tickets and corporate sponsorships are recognized when the services have been provided, if the amount can be reasonably estimated and collection is reasonably assured.

### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Revenue and expenses are translated at exchange rates in effect on the date of the transaction. Gains or losses on these transactions are included in the statement of operations and changes in unrestricted net assets.

### Donated Property and Services

During the year voluntary services were provided. Because these services are not normally purchased by the Organization, and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Continued...



## 2. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2023 \$	2022 \$
Investors Conference	173,651	58,775
Strides Toronto	91,957	14,905
Other receivables	178,468	3,248
Corporate sponsors	-	2,825
	444,076	79,753

## 3. RELATED PARTY TRANSACTIONS

The Organization is related to the Capitalize for Kids Foundation ("the Foundation"), which is a registered charity. The Foundation was established to receive and maintain funds and to develop an income stream from these funds. It will disburse funds from time to time to qualified donees within the meaning of the Canadian Income Tax Act. Several officers and directors of the Organization hold similar positions with the Foundation. During the year the Organization pledged to donate \$600,000 (2022: \$475,000) to the Foundation which is shown as an expense in the statement of operations.

Included in liabilities is an amount of \$650,790 (2022: \$308,855) due to Capitalize for Kids Foundation mainly for a grant provided to the Foundation. The Organization provides marketing and fund raising support to the Foundation and recovers a portion of wages and benefits for this service. The total of these amounts is \$587,851 (2022 - \$461,174). These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 4. DEFERRED REVENUE

The Deferred revenue represents corporate sponsorships received for the 2024 Investors Conference.

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## 5. COMMITMENTS

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The Organization has an operating lease for its premises for the period January 1, 2024 to July 31, 2028. In addition to the minimum lease payments there is an annual obligation to pay operating costs of approximately \$59,000 per year.

Estimated minimum annual lease payments for the term of the lease are as follows:

2024	36,553
2025	37,416
2026	38,624
2027	39,386
2028	23,598

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175,577

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Effective June 28, 2023, the Organization entered into an agreement through August 30, 2024 to provide project management and implementation support to learn more about the current state of Toronto's intensive child and youth mental health services for a total of \$363,500 to be paid to the Organization. The amount of \$146,103 (2022 - \$44,975) was recognized in 2023 as Strides Toronto revenue in the statement of operations.

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## 6. SUBSEQUENT EVENT

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On January 23, 2024, the Organization contracted with the Carlu Corporation to host its annual Investors Conference for 2024. The minimum cost will be \$100,000. An 18% event administration fee will also be charged in respect of all food and beverage services.

## 7. FINANCIAL INSTRUMENTS

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The Organization is exposed to various risks through its financial instruments. The following presents the Organization's risk exposures and concentrations at December 31, 2023.

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2022: \$nil).

### **Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is mainly in respect of its accounts payable and accrued liabilities and due to Capitalize for Kids Foundation. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment 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. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization has a low foreign currency risk.

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**7. FINANCIAL INSTRUMENTS (Continued)**

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**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's investments are not subject to interest rate risk in respect of fluctuating interest rates as the majority of their investments are mutual funds. There is a moderate risk of market value adjustments on these investments which may result in cash flow risk. The Organization actively manages the risk by maintaining a balanced investment portfolio.

**Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization has some exposure to this risk in its investment portfolio.





**CAPITALIZE FOR KIDS FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**





**CAPITALIZE FOR KIDS FOUNDATION**

**FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITORS' REPORT

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To the Members off  
**Capitalize for Kids Foundation**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Capitalize for Kids Foundation, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets and 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 Capitalize for Kids Foundation as at December 31, 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.

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 opinion.



## INDEPENDENT AUDITORS' REPORT (Continued)

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### *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 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.



## INDEPENDENT AUDITORS' REPORT (Continued)

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- 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.

**KRIENS~LAROSE, LLP**

**KRIENS~LAROSE, LLP**

**Chartered Professional Accountants  
Licensed Public Accountants**

April 3, 2024  
Toronto, Ontario



CAPITALIZE FOR KIDS FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

Page 4

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	1,729,117	3,491,291
Investments (Note 2)	2,596,131	-
Due from Capitalize for Kids (Note 3)	650,790	308,855
Accounts receivable (Note 4)	399,304	87,748
PSB rebate receivable	2,544	1,461
	5,377,886	3,889,355
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	12,552	-
Deferred revenue (Note 5)	490,590	490,590
<b>NET ASSETS</b>		
Unrestricted net assets	4,874,744	3,398,765
	5,377,886	3,889,355

APPROVED ON BEHALF OF THE BOARD:



*Ted Garrard*

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Ted Garrard

, Director

Kyle MacDonald

, Director



See accompanying notes to the financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
	\$	\$
<b>REVENUES</b>		
Donations (Note 3)	1,435,342	1,274,558
Bay Street games	389,271	159,706
Grants (Note 5)	322,015	24,383
Investment income	60,708	2,712
Gain/(loss) on foreign exchange	(8,694)	21,345
	2,198,642	1,482,704
<b>EXPENSES</b>		
Wages and benefits	586,580	428,530
Impact program	116,286	39,153
Collection fees and bank charges	10,639	4,786
Audit fees	9,158	9,702
Donation to Sick Kids Foundation	-	382,702
	722,663	864,873
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	1,475,979	617,831
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	3,398,765	2,780,934
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	4,874,744	3,398,765



CAPITALIZE FOR KIDS FOUNDATION  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

Page 6

	2023	2022
	\$	\$
<b>CASH WAS PROVIDED BY (USED IN):</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from donations	1,078,866	999,445
Cash receipts from Bay Street games	389,271	159,706
Cash receipts from grants	25,000	-
Cash receipts from other revenue	60,709	2,713
Cash paid to suppliers and employees	(711,195)	(859,805)
	842,651	302,059
<b>CASH FROM INVESTING ACTIVITIES</b>		
(Purchase) of investments	(2,596,131)	-
Foreign exchange gain/(loss) on cash and cash equivalents and investments held in foreign currency	(8,694)	21,345
Change in cash and cash equivalents	(1,762,174)	323,404
Cash and cash equivalents, beginning of year	3,491,291	3,167,887
Cash and cash equivalents, end of year	1,729,117	3,491,291



See accompanying notes to the financial statements

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## PURPOSE OF THE FOUNDATION

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Capitalize for Kids Foundation (“the Foundation”) is a registered charity incorporated on June 25, 2015. Its charitable purpose is to help youth mental health leaders create a better system so vulnerable children and youth can access the mental health support they need. The Foundation builds capacity with youth mental health agencies by providing resources and expert pro bono consulting services that helps them improve processes, adopt technology to remove waitlists, and improve data and insights for faster and better care for children, youth and their families.

The Foundation also maintains a fund or funds and applies all or part of the principal and income there from, from time to time, to one or more qualified donees according to the meaning of the Income Tax Act (Canada) as amended from time to time.

The Foundation also undertakes activities ancillary and incidental to the attainment of the above charitable purpose.

The Foundation is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The Foundation receives donation revenue from the Capitalize for Kids organization, a related entity.

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

### Financial Instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, due from Capitalize for Kids and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Continued...





## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments in a high-interest savings account with maturities of less than 90 days. Short-term investments are comprised of cash and mutual/segregated funds. Short-term investments are recorded and carried at fair market value.

### Revenue Recognition

The Foundation uses the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions, arising primarily from grants, are initially deferred and recognized as revenue in the year in which the related expenses are incurred and when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Revenue and expenses are translated at exchange rates in effect on the date of the transaction. Gains or losses on these transactions are included in the statement of operations and changes in unrestricted net assets.

### Donated Property and Services

During the year voluntary services were provided. Because these services are not normally purchased by the Foundation, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

## 2. INVESTMENTS

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The investments consist of GICs with annual interest rates between 2.85% to 5.1% maturing from January, 2024 to January, 2025, and a high interest savings account with an annual interest rate of 4.55%.

Continued...



### 3. RELATED PARTY TRANSACTIONS

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The Foundation is related to Capitalize for Kids, which is a not-for-profit entity devoted to fund raising activities. Several officers and directors of the Foundation hold similar positions within Capitalize for Kids. During the year the Foundation received a \$600,000 (2022: \$475,000) pledge from Capitalize for Kids which is recorded as donation revenue in the statement of operations. Included in assets is an amount of \$650,790 (2022: \$308,855) due from Capitalize for Kids mainly for a grant provided to Capitalize for Kids and allocated wages and benefits. Capitalize for Kids provides marketing and fund raising support to the Foundation and recovers a portion of wages and benefits for this service, the total of these amounts is \$587,851 (2022 - \$461,174). These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 4. ACCOUNTS RECEIVABLE

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Accounts receivable consists of the following:

	2023 \$	2022 \$
Grants	297,015	-
Donations	102,289	87,748
	399,304	87,748

Continued...



## 5. DEFERRED REVENUE

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The Foundation entered into a 3-year services agreement with East Metro Youth Services during 2019 to expand the capacity of mental health services in Toronto. Funding for the agreement in the amount of \$686,472 was received in 2019, which represents the total value of the 3-year agreement. During the year \$0 (2022: \$24,383) was recognized as revenue to offset expenses incurred under the project. The balance of funding is recorded in deferred revenue in the amount of \$490,590 (2022: \$490,590). Consequently, \$490,590 of the cash balance is restricted to be used only for expenses relating to the East Metro Youth Services project. East Metro Youth Services is now called Strides.

The above project is one of several projects the Foundation is undertaking under its Impact program. The program was designed to allow the Foundation to work with different mental health agencies to identify business opportunities to increase the capacity of their existing services. The Foundation partners with for profit companies to design solutions and then fund the required changes to an agency's operations.

## 6. COMMITMENTS

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Effective September 26, 2022, the Foundation entered into a 3-year agreement with Children's Mental Health Services to implement a policy management platform. The Foundation has committed to pay \$20,647 (net of sales tax), of which \$6,165 (2022: \$8,317) was recognized in 2023 as impact program expenses in the statement of operations.

## 7. FINANCIAL INSTRUMENTS

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The Foundation is exposed to various risks through its financial instruments. The following presents the Foundation's risk exposures and concentrations at December 31, 2023.

### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation's credit risk would occur with their accounts receivable and due from Capitalize for Kids. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2022: \$nil).

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## 7. FINANCIAL INSTRUMENTS (Continued)

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### **Liquidity Risk**

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is exposed to this risk as it depends on donations for its operations. In order to reduce its liquidity risk, the Foundation seeks to continue to receive donations on an annual basis, manage its cash flow, and set aside funds to fulfill its obligations.

### **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. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign currency risk with respect to its cash denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar. In 2023, the Canadian dollar equivalent of cash balance denominated in US dollars was \$364,235 (2022: \$339,232).

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's investments are not subject to interest rate risk in respect of fluctuating interest rates as the majority of their investments are mutual funds. There is a moderate risk of market value adjustments on these investments which may result in cash flow risk. The Foundation actively manages the risk by maintaining a balanced investment portfolio.

### **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation has some exposure to this risk in its investment portfolio.

