UNITED FOSTER PARENTS OF CANADA CORPORATION

FINANCIAL STATEMENTS

January 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of
UNITED FOSTER PARENTS OF CANADA CORPORATION

Opinion

We have audited the financial statements of **UNITED FOSTER PARENTS OF CANADA CORPORATION**, which comprise the statement of financial position as at January 31, 2024, 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 the Corporation as at January 31, 2024, 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 the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation 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.

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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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 Corporation'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 Corporation'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 Corporation 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.

Welch LLP

Belleville, Ontario
May 17, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

UNITED FOSTER PARENTS OF CANADA CORPORATION

(Incorporated without share capital under the laws of Canada)

STATEMENT OF FINANCIAL POSITION

JANUARY 31, 2024

ASSETS

	2024	2023
CURRENT ASSETS		
Cash	$ 237,855	$ 257,126
Accounts receivable	47,991	54,586
Prepaid expenses	41,526	41,526
Government remittances recoverable	-	9,979
	327,372	363,217
INVESTMENTS - note 4	778,369	747,248
TANGIBLE CAPITAL ASSETS - note 5	1,040	1,648
	$ 1,106,781	$ 1,112,113

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 13,836	$ 13,506
Deferred revenue	7,500	7,500
Government remittances payable	554	2,028
	21,890	23,034
NET ASSETS		
Invested in capital assets - internally restricted	1,040	1,648
Unrestricted	1,083,851	1,087,431
	1,084,891	1,089,079
	$ 1,106,781	$ 1,112,113

Approved by the Board

Patricia Turnell Director

Director

(See accompanying notes)

UNITED FOSTER PARENTS OF CANADA CORPORATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED JANUARY 31, 2024

	2024	2023
REVENUE		
Contributions	$ 269,107	$ 281,853
Interest and miscellaneous	24,196	21,717
	293,303	303,570
EXPENSES		
General and administrative	289,541	310,377
Amortization of tangible capital assets	608	608
Defence fees	8,677	1,526
Travel, hotels and child care	7,297	11,341
	306,123	323,852
Deficiency of revenue over expenses before other item	(12,820)	(20,282)
OTHER INCOME (EXPENSE)		
Fair market value adjustment of investments	8,632	(15,093)
DEFICIENCY OF REVENUE OVER EXPENSES	(4,188)	(35,375)
BALANCE, beginning of year	1,089,079	1,124,454
BALANCE, end of year	$ 1,084,891	$ 1,089,079

(See accompanying notes)

UNITED FOSTER PARENTS OF CANADA CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JANUARY 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses	$ (4,188)	$ (35,375)
Adjustments for:		
Amortization of tangible capital assets	608	608
Fair market value adjustment of investments	(8,632)	15,093
	(12,212)	(19,674)
Changes in non-cash working capital components:		
Accounts receivable	6,595	(11,783)
Prepaid expenses	-	(10,167)
Government remittances recoverable	9,979	16,661
Accounts payable and accrued liabilities	330	(2,067)
Government remittances payable	(1,474)	1,021
	3,218	(26,009)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(345,079)	(463,440)
Proceeds from redemption of investments	322,590	290,000
	(22,489)	(173,440)
DECREASE IN CASH	(19,271)	(199,449)
CASH, beginning of year	257,126	456,575
CASH, end of year	$ 237,855	$ 257,126

(See accompanying notes)

UNITED FOSTER PARENTS OF CANADA CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JANUARY 31, 2024

1. PURPOSE AND LEGAL FORM OF THE ORGANIZATION

The Corporation promotes high standards of foster parenting and provides assistance to associations of foster parents in communities across Canada in carrying out their objectives. In addition, the Corporation assists in providing funds to members to defend themselves against legal claims made against them or their family members.

United Foster Parents of Canada Corporation, incorporated under the Canada Corporations Act, is a not-for-profit organization within the meaning of the Canadian Income Tax Act and as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Investments

The purchase and sale of investments are accounted for using settlement date accounting. Transaction costs associated with the acquisition of investments are expensed as incurred.

Revenue recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as it is earned.

Tangible capital assets

Tangible capital assets are stated at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful life of the assets as follows:

Equipment and furniture	5 years
Leasehold improvements	5 years
Computer equipment	5 years

Intangible capital assets

Intangible capital assets are stated at cost. Amortization is provided on a straight-line basis over over the estimated useful life of five years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Corporation initially measures its financial assets and liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

The Corporation measures all its financial assets and financial liabilities at amortized cost except for investments quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations in the period incurred. Financial assets measured at amortized cost include cash, accounts receivable and investments.

Financial liabilities measured at amortized cost include bank indebtedness and accounts payable and accrued liabilities.

The fair value of the equity instruments is the closing price obtained from the applicable exchange at the date of the Statement of Financial Position.

Use of estimates

The preparation of financial statements in conformity 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the estimated useful life of the Corporation's tangible capital assets and intangible capital assets, the amount of accounts receivable and accruing liabilities. Actual results could differ from those estimates.

Contributed services

Directors volunteer their time to assist in the Corporation's activities. While these services benefit the Corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

3. FINANCIAL INSTRUMENTS

Credit risk

The Corporation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Corporation could incur a financial loss.

Accounts receivable: the Corporation reduces its exposure to credit risk by seeking members that are socially and financially responsible organizations. Management has determined that an allowance for doubtful accounts is not required at year end.

Liquidity risk

Liquidity risk is the risk that the Corporation cannot meet its commitments when they become due. Liquidity risk also includes the risk of the Corporation not being able to liquidate assets in a timely manner. The Corporation's management manages this risk by reviewing expected cash flow requirements, anticipating investing and financing activities and holding assets that can be readily converted in cash.

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 is comprised of currency risk, interest rate risk and other price risk.

Currency risk

The Corporation's investments are denominated in Canadian dollars and therefore currency risk exposure is minimal.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments and future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Corporation's exposure to interest rate risk arises from its interest bearing assets.

The Corporation manages interest rate risk exposure by using a laddered portfolio with varying terms to maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

3. FINANCIAL INSTRUMENTS (continued)

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Corporation manages other price risk by investing in low risk investments and is exposed to price risk on its equity investments.

Change in risk

There were no changes in the Corporation's risk exposure during the year.

4. INVESTMENTS

Investments consist of the following:

	2024		2023	
	Cost	Fair Market Value	Cost	Fair Market Value
High interest savings	$ 52,731	$ 52,731	$ 242,662	$ 242,662
Canadian Tire Bank -2.25% non-redeemable, maturing February 7, 2025	90,000	90,000	90,000	90,000
Home Trust -2.61% non-redeemable, maturing May 17, 2023	-	-	55,000	55,000
Homequity Bank -2.77% non-redeemable, maturing May 17, 2024	55,000	55,000	55,000	55,000
Bank of Nova Scotia -0.2% non-redeemable, maturing February 2, 2023	-	-	62,000	62,000
Concentra Bank -2.53% non-redeemable, maturing February 2, 2026	90,000	90,000	90,000	90,000
Bank of Nova Scotia - 4.90%, maturing February 5, 2024.	100,000	100,000	-	-
Carried forward	$ 387,731	$ 387,731	$ 594,662	$ 594,662

4. INVESTMENTS (continued)

	2024		2023	
	Cost	Fair Market Value	Cost	Fair Market Value
Carried forward	$ 387,731	$ 387,731	$ 594,662	$ 594,662
Scotia Mortgage Company - 4.27%, maturing February 3, 2026	10,000	10,000	-	-
Royal Bank of Canada - 4.15%, maturing February 3, 2027	100,000	100,000	-	-
Bank of Nova Scotia- 3.10%, maturing February 2, 2028	48,085	48,085	-	-
National Trust Company - 4.44%, maturing February 3, 2025	10,000	10,000	-	-
Montreal Trust Company - 4.12%, maturing February 3, 2028	50,000	50,000	-	-
Accrued interest	19,217	19,217	7,372	7,372
Equity Investments Invesco Canadian Dividend Index Class	143,252	153,336	136,709	145,214
	$ 768,285	$ 778,369	$ 738,743	$ 747,248

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2024			2023
	Cost	Accumulated amortization	Net	Net
Equipment and furniture	$ 12,297	$ 12,297	$ -	$ -
Leasehold improvements	392	392	-	-
Computer equipment	17,614	16,574	1,040	1,648
	$ 30,303	$ 29,263	$ 1,040	$ 1,648

6. INTANGIBLE CAPITAL ASSETS

Intangible capital assets consists of the following:

	2024			2023
	Cost	Accumulated amortization	Net	Net
Website	$ 3,550	$ 3,550	$ -	$ -

7. DISSOLUTION

Funds held upon dissolution shall be distributed to one or more qualified donees as defined under the provisions of the Income Tax Act or registered charitable organizations in Canada that have, as at least one of their objectives, the education of youth.

8. COMMITMENTS

The Corporation has a commitment under an operating lease for office space.

The minimum payments under the lease are as follows:

2025	$ 8,900
2026	8,900
2027	8,900
2028	8,900
2029	5,100
	$ 40,700

9. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.