

**I CAN FOR KIDS FOUNDATION**

**Financial Statements**

**Year Ended December 31, 2021**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of I Can for Kids Foundation

### *Qualified Opinion*

We have audited the financial statements of I Can for Kids Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, 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, 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, 2021, and its results of operations 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 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 revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial 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 relating 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.

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Independent Auditor's Report to the Members of I Can for Kids Foundation *(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 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.

Edmonton, Alberta  
March 8, 2022

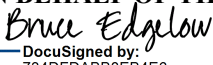
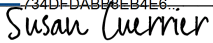


Chartered Professional Accountants

**I CAN FOR KIDS FOUNDATION****Statement of Financial Position****December 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 636,943	\$ 704,912
Accounts receivable	30,088	83,200
Goods and services tax recoverable	1,310	402
Prepaid expenses	4,640	5,000
	<u>672,981</u>	<u>793,514</u>
EQUIPMENT <i>(Note 4)</i>	<u>6,435</u>	<u>4,350</u>
	<u>\$ 679,416</u>	<u>\$ 797,864</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 8,969	\$ 10,760
Deferred contributions <i>(Note 5)</i>	25,000	82,214
	<u>33,969</u>	<u>92,974</u>
DEFERRED CONTRIBUTIONS RELATING TO EQUIPMENT <i>(Note 6)</i>	<u>-</u>	<u>4,350</u>
	<u>33,969</u>	<u>97,324</u>
<b>NET ASSETS - UNRESTRICTED</b>		
General Operating	424,509	277,450
Food Program	220,938	423,090
	<u>645,447</u>	<u>700,540</u>
	<u>\$ 679,416</u>	<u>\$ 797,864</u>
<b>COMMITMENTS <i>(Note 8)</i></b>		

**ON BEHALF OF THE BOARD**

  
 DocuSigned by:  
 734DFDAB96EB4E6... Director  
  
 A7600D9D0EE44B2... Director

**I CAN FOR KIDS FOUNDATION****Statement of Operations****Year Ended December 31, 2021**

	General Operating 2021	Food Program 2021	Total 2021	General Operating 2020	Food Program 2020	Total 2020
<b>REVENUE</b>						
Gifts in kind <i>(Note 7)</i>	\$ -	\$ 196,911	\$ 196,911	\$ 11,800	\$ 118,475	\$ 130,275
Donations	255,378	339,900	595,278	180,386	604,848	785,234
Grants	81,350	107,214	188,564	958	456,468	457,426
	336,728	644,025	980,753	193,144	1,179,791	1,372,935
<b>EXPENSES</b>						
<b>Administrative</b>						
Amortization	1,381	267	1,648	-	1,236	1,236
Insurance	2,138	-	2,138	2,471	-	2,471
Marketing and communications	36,474	700	37,174	10,086	-	10,086
Marketing and communications - in kind	-	40,000	40,000	11,800	16,800	28,600
Non-profit organizational expense	1,478	54	1,532	932	-	932
Office supplies	8,699	16	8,715	4,556	-	4,556
Professional fees	74,453	-	74,453	5,681	-	5,681
Rent	1,824	-	1,824	-	-	-
Rent - in kind	-	72,000	72,000	-	24,000	24,000
Salaries and payroll expense	49,797	36,904	86,701	28,013	50,166	78,179
Service fees	3,695	2,989	6,684	2,160	5,864	8,024
Stewardship	1,893	-	1,893	2,185	-	2,185
Travel and meals	1,819	499	2,318	906	1,141	2,047
Utilities	6,018	-	6,018	-	-	-
	189,669	153,429	343,098	68,790	99,207	167,997
<b>Charitable program</b>						
Contracted services	-	30,203	30,203	-	12,375	12,375
Food and supplies	-	45,549	45,549	-	46,447	46,447
Food and supplies - in kind	-	67,291	67,291	-	25,075	25,075
Gift cards <i>(Note 7)</i>	-	526,865	526,865	-	641,044	641,044
Gift cards - in kind <i>(Note 7)</i>	-	17,620	17,620	-	52,600	52,600
Research and development	-	5,011	5,011	-	15,000	15,000
Warehouse	-	209	209	-	97	97
	-	692,748	692,748	-	792,638	792,638
	189,669	846,177	1,035,846	68,790	891,845	960,635
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	\$ 147,059	\$ (202,152)	\$ (55,093)	\$ 124,354	\$ 287,946	\$ 412,300

**I CAN FOR KIDS FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2021**

	General Operating 2021	Food Program 2021	Total <b>2021</b>	General Operating 2020	Food Program 2020	Total <b>2020</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 277,450	\$ 423,090	\$ <b>700,540</b>	\$ 153,096	\$ 135,144	\$ 288,240
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	147,059	(202,152)	<b>(55,093)</b>	124,354	287,946	412,300
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 424,509</b>	<b>\$ 220,938</b>	<b>\$ 645,447</b>	<b>\$ 277,450</b>	<b>\$ 423,090</b>	<b>\$ 700,540</b>

**I CAN FOR KIDS FOUNDATION****Statement of Cash Flows****Year Ended December 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Cash received from contributors	\$ <b>647,482</b>	\$ 732,686
Cash received from grants	<b>127,000</b>	531,190
Cash paid for expenses	<u><b>(838,718)</b></u>	<u>(813,364)</u>
Cash flow from (used by) operating activities	<u><b>(64,236)</b></u>	<u>450,512</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(10,076)	-
Proceeds on disposal of equipment	<u>6,343</u>	<u>-</u>
Cash flow used by investing activities	<u>(3,733)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(67,969)</b>	450,512
Cash - beginning of year	<u><b>704,912</b></u>	<u>254,400</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 636,943</b></u>	<u>\$ 704,912</u>

**I CAN FOR KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2021**

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**1. DESCRIPTION OF OPERATIONS**

I Can for Kids Foundation (the Foundation) is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act. The Foundation is a registered charitable organization and is exempt from income taxes under the Income Tax Act.

The Foundation provides nutritional support to food insecure children and youth in Calgary through the provision of food and grocery gift cards. In collaboration with a network of frontline social service agencies and community partners along with hundreds of volunteers, the Foundation supports the health and wellbeing of thousands of kids every year.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of accounting

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. In addition, the impact of the COVID-19 pandemic has increased the challenges encountered throughout the estimation process. Estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Estimates made by management include accounts receivable as stated after evaluation as to its collectability and an approximate allowance for doubtful accounts is provided where considered necessary.

Financial instrumentsMeasurement

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The Foundation recognizes its transaction costs in operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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**I CAN FOR KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2021****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*Cash and cash equivalents

Cash consists of funds held on deposit with financial institutions.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over its estimated useful life at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	30%	declining balance method

Equipment acquired during the year but not placed into use is not amortized until they are placed into use.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions, which includes grants and donations. Restricted contributions, including grants received to fund future capital acquisitions, are recognized as revenue in the year in which the related expenses are incurred. Any amounts received but not utilized are classified as deferred contributions. 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.

Revenues from gifts in kind and sponsorship are recognized when the services are provided.

Contributed services

The Foundation records the fair market value of contributed goods and services only in the circumstances where the fair market value is reasonably determinable and where the goods and services would otherwise be purchased by the Foundation.

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

**3. FINANCIAL INSTRUMENTS**

The entity is exposed to various risks through its financial instruments. The following analysis provides information about the entity's risk exposure and concentration as of December 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from contributors. The Foundation has mitigated this risk by only scaling operations in relation to cash on hand. The Foundation only initiates programming once the required funding has been secured.

**I CAN FOR KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2021****4. EQUIPMENT**

	Cost	Accumulated amortization	2021 Net book value
Equipment	\$ 2,896	\$ 145	\$ 2,751
Computer equipment	4,334	650	3,684
	<u>\$ 7,230</u>	<u>\$ 795</u>	<u>\$ 6,435</u>

	Cost	Accumulated amortization	2020 Net book value
Equipment	\$ 7,580	\$ 3,230	\$ 4,350

**5. DEFERRED CONTRIBUTIONS**

Deferred contributions represent amounts received for which the specific expenditures have not been incurred. The amounts will be recognized as revenue when the specific expenditures are incurred

	2021	2020
<u>Kinsmen Club</u>		
Opening balance	\$ 7,214	\$ 7,214
Less: authorized expenditures	(7,214)	-
	<u>-</u>	<u>7,214</u>
 <u>The Calgary Foundation</u>		
Opening balance	75,000	-
Funds received	-	75,000
Less: authorized expenditures	(75,000)	-
	<u>-</u>	<u>75,000</u>
 <u>Hunter Family Foundation</u>		
Funds received	25,000	-
	<u>\$ 25,000</u>	<u>\$ 82,214</u>

**I CAN FOR KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2021****6. DEFERRED CONTRIBUTIONS RELATING TO EQUIPMENT**

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 4,350	\$ 5,586
Additions	2,000	-
Amount recognized as donation revenue	<u>(6,350)</u>	<u>(1,236)</u>
	<u>\$ -</u>	<u>\$ 4,350</u>

**7. DONATIONS**

During the year, the Foundation received in-kind donated materials and services with a value of \$196,911 (2020- \$130,275). The materials and services related primarily to marketing, communications, materials and supplies and rent.

The Foundation purchased bulk grocery gift cards using donated funds. The bulk purchases resulted in discounts enabling the organization to purchase a higher value of gift cards than the amount of donated funds. The value of any discounts received is not recorded in these financial statements.

**8. COMMITMENTS**

The Foundation has a lease commitment with respect to its premises. The lease agreement expires December 31, 2023 and has an option for renewal. Future minimum lease payments as at December 31, 2021, are as follows:

2022	\$ 12,830
2023	<u>14,113</u>
	<u>\$ 26,943</u>

The Foundation is also required to make monthly payments for its proportionate share of operating costs on the leased premise.

During the year the Foundation was approved for funding in the amount of \$40,000 and signed a Memorandum of Understanding with the Community Food Centres Canada to provide emergency food access to children in the community.