

The National Sixties Scoop Healing Foundation of Canada
Financial Statements
For the year ended December 31, 2023

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Independent Auditor's Report

To the Board of Directors of The National Sixties Scoop Healing Foundation of Canada

Opinion

We have audited the financial statements of The National Sixties Scoop Healing Foundation of Canada (the "Foundation"), which comprise the statement of financial position as at December 31, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023, 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 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 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.

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.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 27, 2024

The National Sixties Scoop Healing Foundation of Canada

Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash	\$ 131,053	\$ 146,815
Accrued interest	-	138,257
HST receivable	14,120	35,238
Prepaid expenses	9,526	10,025
Investments (Note 2a)	47,836,445	47,550,973
	<u>47,991,144</u>	<u>47,881,308</u>
Equipment (Note 3)	566	1,052
	<u>\$47,991,710</u>	<u>\$ 47,882,360</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 32,278	\$ 33,974
Net Assets		
Unrestricted	47,959,432	47,848,386
	<u>\$47,991,710</u>	<u>\$ 47,882,360</u>

On behalf of the Board:

_____ Director

_____ Director

The National Sixties Scoop Healing Foundation of Canada

Statement of Operations

For the year ended December 31	2023	2022
Revenue		
Donations	\$ 90	\$ 450
Investment income (Note 2b)	3,432,690	82,104
	<u>3,432,780</u>	<u>82,554</u>
Expenses		
Amortization	486	168
Grants	2,519,132	3,164,788
Insurance	57,654	53,796
Office and administrative	86,955	48,580
Professional fees and consulting (Note 5)	294,487	209,177
Program fees	-	88,786
Salaries and wages	356,514	183,264
Telephone	6,506	6,380
	<u>3,321,734</u>	<u>3,754,939</u>
Excess (deficiency) of revenue over expenses for the year	\$ 111,046	\$ (3,672,385)

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

The National Sixties Scoop Healing Foundation of Canada
Statement of Changes in Net Assets

For the year ended December 31	2023	2022
<hr/>		
Net assets, beginning of the year	\$ 47,848,386	\$ 51,520,771
Excess (deficiency) of revenue over expenses for the year	<u>111,046</u>	<u>(3,672,385)</u>
Net assets, end of the year	<u>\$ 47,959,432</u>	<u>\$ 47,848,386</u>

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

The National Sixties Scoop Healing Foundation of Canada Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 111,046	\$ (3,672,385)
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash from operating activities		
Amortization of equipment	486	168
Changes in non-cash working capital:		
Accrued interest	138,257	67,038
HST receivable	21,118	(26,613)
Prepaid expenses	499	(1,170)
Accounts payable and accrued liabilities	(1,696)	(18,727)
	<u>269,710</u>	<u>(3,651,689)</u>
Investing activities		
Purchase of investments	(497,103,770)	(116,616,775)
Proceeds from redemption of investments	496,818,298	120,382,038
Purchase of equipment	-	(1,220)
	<u>(285,472)</u>	<u>3,764,043</u>
Increase (decrease) in cash during the year	(15,762)	112,354
Cash, beginning of the year	<u>146,815</u>	<u>34,461</u>
Cash, end of the year	<u>\$ 131,053</u>	<u>\$ 146,815</u>

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

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies

Nature and Purpose of Organization

The National Sixties Scoop Healing Foundation of Canada's (the "Foundation") mandate is:

- 1) To enable change and reconciliation between Indigenous and non-Indigenous people in Canada and, in particular, to heal the impact of the "Sixties Scoop" on Indigenous peoples in Canada by:
 - a) Promoting and implementing programs and services to effect reconciliation between Indigenous peoples and non-Indigenous people and, in particular, with respect to the survivors of the Sixties Scoop, their families, lineages and communities;
 - b) Providing healing and wellness programs and services to survivors of the Sixties Scoop, their families, lineages and communities;
 - c) Commemorating the suffering and impact of the Sixties Scoop on survivors, their families, lineages, and communities;
 - d) Undertaking educational programs, including research and scholarships concerning the Sixties Scoop and its impact on Indigenous people in Canada.
- 2) To receive or maintain a fund or funds and to apply all or part of the principal and income therefrom for these purposes and/or to registered charities under the Income Tax Act (Canada) to further these purposes.

The Foundation was incorporated on May 3, 2018 under the Canada Not-for-profit Corporations Act. The Foundation changed its name from Sixties Scoop Healing Foundation to The National Sixties Scoop Healing Foundation of Canada effective October 12, 2023. The Foundation is designated as a charitable organization without share capital and is exempt from income tax under Section 149(1)(f) of the Income Tax Act (Canada).

Basis of Accounting

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

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued)

Revenue Recognition The Foundation follows the deferral method of accounting for contributions, including government contributions and donations.

Restricted contributions are recognized as revenue when the related expenses are incurred and 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 (loss) includes interest and realized and unrealized investment gains and losses. Unrealized gains and losses on financial assets are recognized in the statement of operations.

Donated Services The Foundation benefits from the voluntary services of members and volunteers. Since these services are not normally purchased by the Foundation and because of the difficulty of determining their fair value, these donated services are not recognized in these financial statements.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value and all other financial instruments are reported at cost or amortized cost less impairment, if applicable.

Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Equipment Equipment is stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Computer equipment	Declining balance	20%

Foreign Currency Transactions in foreign currencies are initially recorded at the foreign exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the functional currency spot rate as at the reporting date. Foreign exchange differences arising on translation are recognized in the statement of operations.

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2023

2. Investments

a) Investments are comprised of the following:

	2023	2022
Cash	\$ 194,668	\$ 86,839
Guaranteed Investment Certificates (GICs)	-	36,978,337
Money market mutual funds	2,009,444	251,397
Fixed income	18,219,364	7,974,890
Equities	27,412,969	2,259,510
	<u>\$47,836,445</u>	<u>\$ 47,550,973</u>

b) Investment income is as follows:

	2023	2022
Interest	\$ 404,677	\$ 689,927
Dividends	869,387	499,480
Realized loss on investments	(265,077)	-
Unrealized gain (loss)	2,003,488	(958,683)
Other fund income	619,255	-
Less: brokerage fees	(199,040)	(148,620)
	<u>\$ 3,432,690</u>	<u>\$ 82,104</u>

3. Equipment

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 1,220	\$ 654	\$ 1,220	\$ 168
		<u>\$ 566</u>		<u>\$ 1,052</u>

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2023

4. Financial Instrument Risks

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation is exposed to market risk with respect to its investments. The values of these investments will fluctuate as a result of changes in market prices or other factors affecting the values of the investments. This risk has not changed since the prior year.

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 is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments. This risk has not changed since the prior year.

Foreign currency rate risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in currency rates. The Foundation is exposed to currency risk through its US dollar investments, which earn investment income and incur costs in US dollars. Investments held in US dollars are \$7,307,922 (2022 - \$Nil).

5. Related Party Transactions

A member of the Board of Directors provided \$83,317 (2022 - \$Nil) of consulting services to the Foundation during the year in the capacity of an external consultant. The services were in the normal course of business and were measured at the exchange amount, and were recorded in professional fees and consulting on the Statement of Operations.