

AboutFace, The Craniofacial Family
Society

Financial Statements

December 31, 2022

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June 12, 2023

Independent Auditor's Report

To the Board of Directors of AboutFace, The Craniofacial Family Society

Qualified Opinion

We have audited the accompanying financial statements of AboutFace, The Craniofacial Family Society, which comprise the statement of financial position as at December 31, 2022 and the statements of operations and 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 AboutFace, The Craniofacial Family Society as at December 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 Qualified Opinion

In common with many not-for-profit organizations, AboutFace, The Craniofacial Family Society derives revenue from public donations and fundraising events, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the audit. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of AboutFace, The Craniofacial Family Society. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation and fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at December 31, 2022 and 2021. Our conclusion on the financial statements as at and for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in 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 AboutFace, The Craniofacial Family Society in accordance with the ethical requirements that are relevant to our audit of 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 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 AboutFace, The Craniofacial Family Society 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 AboutFace, The Craniofacial Family Society or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing AboutFace, The Craniofacial Family Society's financial reporting process.

Roger Chaplin CPA, CA LPA MA (Oxon) Gail Bergman CPA, CA LPA B Comm

Chaplin & Co LLP Chartered Professional Accountants • 1110 Finch Avenue West Suite 710 Toronto Ontario M3J 2T2

Telephone 416 667 7060 Facsimile 416 663 3746 e cpa@chaplinco.com www.chaplinco.com

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 judgement 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 AboutFace, The Craniofacial Family Society 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 AboutFace, The Craniofacial Family Society 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 AboutFace, The Craniofacial Family Society 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.

Chaplin + Co. LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario

AboutFace, The Craniofacial Family Society

Statement of Financial Position

	General Fund	Scholarship Fund	Trailblazers Training Fund	Gaming Fund	2022	December 31 2021
Assets						
Current						
Cash	\$ 282,465	\$ 6,207	\$ 6,496	\$ 19,385	\$ 314,553	\$ 286,839
Accounts receivable	-	-	-	-	-	4,683
GST/HST recoverable	13,206	-	-	-	13,206	12,344
Prepaid expenses	46,661	-	-	-	46,661	9,537
	<u>\$ 342,332</u>	<u>\$ 6,207</u>	<u>\$ 6,496</u>	<u>\$ 19,385</u>	<u>\$ 374,420</u>	<u>\$ 313,403</u>
Liabilities						
Current						
Accounts payable and accrued liabilities (Note 4)	\$ 9,763	\$ -	\$ -	\$ 7,909	\$ 17,672	\$ 17,466
Deferred revenue (Note 2)	64,496	-	-	-	64,496	49,413
	<u>74,259</u>	<u>-</u>	<u>-</u>	<u>7,909</u>	<u>82,168</u>	<u>66,879</u>
Net assets	<u>268,073</u>	<u>6,207</u>	<u>6,496</u>	<u>11,476</u>	<u>292,252</u>	<u>246,524</u>
	<u>\$ 342,332</u>	<u>\$ 6,207</u>	<u>\$ 6,496</u>	<u>\$ 19,385</u>	<u>\$ 374,420</u>	<u>\$ 313,403</u>

See accompanying notes

Approved on behalf of the Board of Directors of AboutFace, The Craniofacial Family Society:

Director

Director

AboutFace, The Craniofacial Family Society

Statement of Schedule of Net Assets

	General Fund	Scholarship Fund	Trailblazers Training Fund	Gaming Fund	Year ended 2022	Total Year ended December 31 2021
Balance, beginning of year	\$ 207,538	\$ 8,258	\$ -	\$ 30,728	\$ 246,524	\$ 213,709
Excess of revenue over expenses (expenses over revenue) for the year	49,928	(2,051)	6,496	(8,645)	45,728	32,815
Transfer between funds ⁽¹⁾	10,607	-	-	(10,607)	-	-
Balance, end of year	\$ 268,073	\$ 6,207	\$ 6,496	\$ 11,476	\$ 292,252	\$ 246,524

⁽¹⁾ Represents PSB rebate collected on expenditures associated with the BOT gaming program.

See accompanying notes

AboutFace, The Craniofacial Family Society

Statement of Operations and Net Assets

	General Fund	Scholarship Fund	Trailblazers Training Fund	Gaming Fund	Year ended December 31 2022	Year ended December 31 2021
Revenues						
Donations	\$ 174,534	\$ 2,349	\$ 1,800	\$ -	\$ 178,683	\$ 88,125
Bequests	51,125	-	-	-	51,125	-
Corporate donations	46,692	-	11,200	-	57,892	33,211
Gaming (Note 3)	-	-	-	180,179	180,179	181,038
Government funding	21,334	-	-	-	21,334	47,448
Special events	26,749	-	-	-	26,749	42,230
Foundation grants	160,423	-	10,000	-	170,423	212,633
Sales and other income	3,991	-	-	-	3,991	3,894
	<u>484,848</u>	<u>2,349</u>	<u>23,000</u>	<u>180,179</u>	<u>690,376</u>	<u>608,579</u>
Expenses (Note 3)						
Personal development and enrichment	121,839	-	16,504	-	138,343	137,826
Operations and administration	68,225	-	-	-	68,225	84,640
Health and community outreach	82,006	-	-	-	82,006	68,299
Fundraising and development	30,870	-	-	-	30,870	36,844
Information services	61,800	-	-	-	61,800	70,283
Public awareness and education	152,535	-	-	-	152,535	76,735
Scholarships program	-	4,400	-	-	4,400	6,000
Gaming	-	-	-	106,469	106,469	95,137
	<u>517,275</u>	<u>4,400</u>	<u>16,504</u>	<u>106,469</u>	<u>644,648</u>	<u>575,764</u>
Specific expenditures on charitable programs	(82,355)	-	-	82,355	-	-
	<u>434,920</u>	<u>4,400</u>	<u>16,504</u>	<u>188,824</u>	<u>644,648</u>	<u>575,764</u>
Excess of revenue over expenses (expenses over revenue) for the year	\$ 19,928	\$ (2,051)	\$ 6,496	\$ (8,645)	\$ 45,728	\$ 32,815

See accompanying notes

	Year ended December 31	
	2022	2021
Net cash provided by (used in):		
Operations		
Excess of revenue over expenses for the year	\$ 45,728	\$ 32,815
Change in non-cash working capital items:		
Accounts receivable	4,683	(269)
GST/HST recoverable	(862)	(2,170)
Prepaid expenses	(37,124)	2,429
Accounts payable and accrued liabilities	206	(1,723)
Deferred contributions	15,083	(5,537)
	<u>27,714</u>	<u>25,545</u>
Change in cash during the year	27,714	25,545
Cash, beginning of year	<u>286,839</u>	<u>261,294</u>
Cash, end of year	<u>\$ 314,553</u>	<u>\$ 286,839</u>

See accompanying notes

AboutFace, The Craniofacial Family Society (AboutFace) is a charitable organization, incorporated without share capital under the laws of the Province of Ontario, whose objective is to provide emotional support, information and programs for public education to individuals and families affected by facial differences.

As a charitable organization, (charitable registration number - 126761410RR0001) AboutFace is exempt from income taxes under paragraph 149(1)(1) of the Income Tax Act.

1. Significant accounting policies

Basis of presentation

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (Part III of the CPA Canada Accounting Handbook).

Fund accounting

AboutFace follows the restricted fund method of accounting for contributions. Restricted grants and donations are recognized as revenue in the year when the contracted or agreed upon services are performed which is generally when the related expenses are incurred.

General fund

The general fund accounts for the AboutFace's general programming and administrative activities. This fund reports unrestricted resources and restricted grants and contributions.

Scholarship fund

The scholarship fund, which are restricted, reports the assets, revenue and expenses related to providing scholarships to deserving students.

Trailblazers training fund

The trailblazer training fund reports the assets, revenue and expenses related to the training on working with children and youth with facial differences to camps across Canada.

Gaming fund

The gaming fund, which are restricted, reports the assets, revenue and expenses related to the Provincial Break Open Ticket (BOT) Program.

Revenue recognition

Unrestricted grants and donations are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts received that relate to future fiscal periods are recorded as deferred revenue. Bequests are recognized when ownership is irrevocably transferred and collection is reasonably assured.

Revenue from special events are taken into income in the year to which they relate.

Revenue from the Provincial Break Open Ticket (BOT) Program, sales and other income are recognized as income on the accrual basis of accounting.

Measurement of financial instruments

AboutFace initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and GST/HST recoverable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. AboutFace has not designated any financial asset or financial liability to be measured at fair value.

1. Significant accounting policies (continued)

Measurement of financial instruments

Financial assets measured at cost or amortized cost are regularly assessed for indicators of impairment. If there is an indication of impairment the AboutFace determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the financial asset is greater than the higher of the present value of the expected future cash flows, the amount that could be realized from selling the financial asset or the amount the AboutFace to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial carrying value.

Allocation of expenses

Administration expenses, which include rent, supplies, telephone and salaries, are allocated to all programs based on management's estimate of time spent on such programs.

Contributed services and materials

Volunteers contribute a substantial amount of time each year to assist the organization with its activities. Due to the difficulty in determining its fair value, volunteer services are not recognized in the financial statements.

AboutFace receives in-kind donations in support of its various fundraising events. These in-kind donations contribute to the success of the events and are in addition to the ticket sales and sponsorship revenue recorded in the Statement of Operations.

In-kind donations are receipted if fair value is determinable. The donations are not receipted if the fair value is not determinable or the donated items would not otherwise have been purchased for operations. During the year AboutFace received in-kind donations totalling approximately \$nil (2021 - \$nil), which have not been reflected in the financial statements.

Capital assets

In accordance with the ASNFPO's, organizations with average annual receipts of less than \$500,000, are permitted to expense capital items, rather than capitalize them and amortize over their estimated useful lives. The management of AboutFace believes that the users of the financial statements are better served to continue to expense capital assets as acquired. During the year, \$3,513 (2021 - \$6,868) has been expensed.

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 at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Such estimates include the deferred contributions, allowances for doubtful accounts and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

AboutFace, The Craniofacial Family Society

Notes to the Financial Statements
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2. Deferred revenue

Deferred revenue represents unspent foundation grants and donations as directed by the contributors. Deferred contribution consist of the following:

	2022	2021
Balance, beginning of year	\$ 49,413	\$ 54,950
Received during the year	82,000	112,876
Utilized during the year	<u>(73,413)</u>	<u>(118,413)</u>
	<u>\$ 58,000</u>	<u>\$ 49,413</u>

The funds are designated for the following purposes:

Ontario Trillium Foundation Resilient Communities Grant	\$ -	\$ 437
Children's programming	58,000	42,982
Other	-	5,994
	<u>\$ 58,000</u>	<u>\$ 49,413</u>

3. Allocation of Expenses

Personnel, rent and other costs were allocated as follows:

	2022	2021
Personal development and enrichment	\$ 91,606	\$ 112,825
Health and community outreach	70,825	62,532
Public awareness and education	53,873	22,563
Information services	40,946	33,813
Fundraising and development	22,531	24,288
Operations and administration	31,986	30,129
	<u>\$ 311,767</u>	<u>\$ 286,150</u>

4. Gaming

AboutFace receives proceeds, net of expenses, from the Break Open Ticket (BOT) Program (License Number 1200263). The BOT sales and related expenses are as follows:

	2022	2021
BOT gross revenue from sales	\$ 180,179	\$ 181,038
BOT program management expenses	<u>(106,469)</u>	<u>(95,137)</u>
Direct program management expenses (as per the AGCO Terms and Conditions)		
Container fee	891	556
Cost of break open tickets	29,265	22,172
Gaming services	22,058	21,737
License fees	12,207	9,708
Miscellaneous	4,962	4,652
Provincial fees	75	-
Retailer fees	37,011	36,312
	<u>106,469</u>	<u>95,137</u>
Net proceeds available for charitable purposes	<u>\$ 73,710</u>	<u>\$ 85,901</u>

4. Gaming (continued)

Accounts payable and accrued liabilities relating to BOT:

	2022	2021
BOT Admin fee	\$ 736	\$ 422
Accountant's review fees	3,118	3,118
Bookkeeping	630	160
ACGO license fee	3,425	2,642
	<u>\$ 7,909</u>	<u>\$ 6,342</u>

5. Lease Commitments

AboutFace is committed to a lease for office premises, which expires in December 2023. The lease commitment in 2023 is \$19,416.

6. Financial risks

It is the Board of Directors opinion that the organization is not exposed to significant credit, currency, liquidity or interest rate risks, due to the short term maturity.

7. Government assistance

On April 11, 2020, the Canadian Federal government passed legislation for the Canada Emergency Wage Subsidy - "CEWS", a wage subsidy program on September 27, 2020 the Canada Emergency Rent Subsidy - "CERS", a rent subsidy program and on June 6, 2021 the Canada Recovery Hiring Program - CRHP all of which are for eligible Canadian employers whose business has been affected by COVID-19. During the year, the organization received total funding of \$11,975 (2021 - \$33,689) for both programs.

8. Comparative figures

The comparative figures have been reclassified to conform with the current year's financial statement presentation.