

Financial Statements

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation)

March 31, 2021

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 9

Independent Auditor's Report

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To the Board of Directors of
Strides Toronto Foundation

Opinion

We have audited the financial statements of Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation) (the "Foundation"), which comprise the statement of financial position as at March 31, 2021, 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 Foundation as at March 31, 2021, 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 ("ASNPO").

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.

Other matter

The financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an unqualified opinion on those financial statements on September 9, 2020.

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 ASNPO, 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 a 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 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.
- 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Markham, Canada
July 21, 2021

Chartered Professional Accountants
Licensed Public Accountants

**Strides Toronto Foundation (formerly Aisling Discoveries
Child and Family Foundation)**
Statement of Financial Position

March 31 2021 2020

Assets

Current

Cash	\$ 11,660	\$ 11,823
HST receivable	2,403	1,209
Due from Strides Toronto Support Services (Note 3)	<u>1,202</u>	<u>1,202</u>
	15,265	14,234

Investments (Note 4)	<u>1,613,249</u>	<u>1,407,993</u>
	<u>\$ 1,628,514</u>	<u>\$ 1,422,227</u>

Liabilities

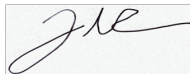
Current

Accounts payable and accrued liabilities	\$ <u>3,921</u>	\$ <u>3,669</u>
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Net assets

Unrestricted	<u>1,624,593</u>	<u>1,418,558</u>
	<u>\$ 1,628,514</u>	<u>\$ 1,422,227</u>

On behalf of the Board of Directors



Director



Director

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation)

Statement of Operations and Changes in Net Assets

Year ended March 31	2021	2020
Revenue		
Dividend income	\$ 33,302	\$ 43,674
Realized gain on investments	18,717	19,326
Interest income	<u>17,957</u>	<u>16,933</u>
	<u>69,976</u>	<u>79,933</u>
Expenses		
Donation – Strides Toronto Support Services (Note 3)	51,520	52,911
Investment management fees	14,030	13,916
Bank charges and other	<u>163</u>	<u>163</u>
	<u>65,713</u>	<u>66,990</u>
Excess of revenue over expenses before other item	<u>4,263</u>	<u>12,943</u>
Other item		
Unrealized gain (loss) on investments	<u>201,772</u>	<u>(139,819)</u>
Excess (deficiency) of revenue over expenses	206,035	(126,876)
Net assets, beginning of year	<u>1,418,558</u>	<u>1,545,434</u>
Net assets, end of year	<u>\$ 1,624,593</u>	<u>\$ 1,418,558</u>

See accompanying notes to the financial statements

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation)

Statement of Cash Flows

Year ended March 31	2021	2020
Increase (decrease) in cash		
Operating		
Excess (deficiency) of revenue over expenses	\$ 206,035	\$ (126,876)
Item not involving cash		
Unrealized (gain) loss on fair value of investments	(201,772)	139,819
	4,263	12,943
Change in non-cash working capital items		
HST receivable	(1,194)	(7)
Accounts payable and accrued liabilities	252	(98)
	3,321	12,838
Investing		
Gain realized on sale of investments reinvested	(18,717)	(19,326)
Purchase of investments	(112,137)	(60,607)
Proceeds on sale of investments	127,370	68,134
	(3,484)	(11,799)
Financing		
Change in Due from Strides Toronto Support Services	-	(1,202)
Decrease in cash	(163)	(163)
Cash		
Beginning of year	11,823	11,986
End of year	\$ 11,660	\$ 11,823

See accompanying notes to the financial statements

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation)

Notes to the Financial Statements

March 31, 2021

1. Nature of operations and basis of presentation

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation) (the "Foundation") administers donated funds for the benefit of Strides Toronto Support Services. The Foundation is incorporated by letters patent under the laws of Ontario as a corporation without share capital and is a registered charity under the Income Tax Act (Canada). The Foundation changed its name from Aisling Discoveries Child and Family Foundation to Strides Toronto Foundation in May 2020.

Effective April 1, 2021, Strides Toronto Foundation and Strides Toronto Support Services amalgamated, maintaining the name of Strides Toronto Support Services.

2. Summary of significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant policies of which are outlined below.

Revenue recognition

Investment income consists of interest income, dividend income, realized gains and losses on investments and unrealized gains and losses on investments. Investment income is recognized as earned.

Donated services

Volunteers contribute an undeterminable number of hours per period. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

The Foundation considers any contract creating a financial asset, liability, or equity instrument as a financial instrument. The Foundation accounts for the following as financial instruments:

- cash
- HST receivable
- investments
- accounts payable

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and are subsequently measured at amortized cost, with the exception of investments, which are measured at fair value. Unrealized gains (losses) on investments are recorded in the statement of operations and changes in net assets in the period incurred.

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation)

Notes to the Financial Statements

March 31, 2021

2. Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to the excess (deficiency) of revenue over expenses as appropriate in the period.

Key areas where management has made estimates include the valuation of investments. Actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

3. Related party transactions

The Foundation was established to raise funds to primarily support programs and services operated by Strides Toronto Support Services and used for purposes to be agreed upon by the Foundation and Strides Toronto Support Services. Strides Toronto Support Services is incorporated by letters patent under the Canada Not-for-Profit Corporations Act as an organization without share capital and is a registered charity under the Income Tax Act (Canada).

On January 1, 2020, Strides Toronto Support Services was created through the amalgamation of East Metro Youth Services and Aisling Discoveries Child and Family Centre. Strides Toronto Support Services was created to provide a wide range of exceptional programs and services to help its client and its families achieve their personal best, supporting clients from the pre-natal stage to age 29 and their families.

Strides Toronto Support Services and the Foundation share administrative staff, management and have common board members. Strides Toronto Support Services exercises control over the Foundation by virtue of its power to determine the Foundation's strategic, operating, investing and financial policies. Related party transactions are measured at their exchange amount, which is the amount agreed upon by both parties.

The balance due from Strides Toronto Support Services is non-interest bearing and due on demand.

During the year, the Foundation distributed \$51,520 (2020 – \$52,911) to fund programs at Strides Toronto Support Services, included in Donation – Strides Toronto Support Services in the statement of operations and changes in net assets.

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation)

Notes to the Financial Statements

March 31, 2021

4. Investments

The Foundation's investments are invested in pooled funds, diversified as follows:

	<u>2021</u>	<u>2020</u>
Canadian bonds	\$ 586,153	\$ 628,024
International equities	477,435	342,842
US equities	291,030	227,813
Canadian equities	<u>258,631</u>	<u>209,314</u>
	<u>\$ 1,613,249</u>	<u>\$ 1,407,993</u>

5. Financial instruments

Transactions in financial instruments may result in the Foundation assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

Liquidity risk

Liquidity risk is the risk the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable. The Foundation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves to repay creditors.

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 risk: 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 currency risk to the extent that it holds investments in foreign pooled funds. The Foundation manages its currency risk by ensuring that its investments are invested in accordance to its investment policy that ensures a diversified portfolio.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income investments held by the Organization. The underlying value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise. The Foundation manages its interest rate risk by ensuring that its investments are invested in accordance to its investment policy that ensures a diversified portfolio.

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation)

Notes to the Financial Statements

March 31, 2021

5. Financial instruments (continued)

Market risk (continued)

Other price risk

Other price risk is the risk that 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 is exposed to other price risk on its investments. The Foundation manages its other price risk by ensuring that its investments are invested in accordance to its investment policy that ensures a diversified portfolio.

6. COVID-19

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Foundation for future periods. While the Foundation’s investments have been impacted at the onset of the pandemic, its investments have largely recovered. However, the Foundation has, and continues to be active in considering the options available to adjust its operations to ensure the long-term sustainability of the Foundation.