NEW BRUNSWICK SOCIAL PEDIATRICS INC.

Financial Statements
March 31, 2023

New Brunswick Social Pediatrics Inc.
Contents
March 31, 2023 (With comparative figures for 2022)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of New Brunswick Social Pediatrics Inc.

Qualified Opinion

We have audited the financial statements of New Brunswick Social Pediatrics Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2023, 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, 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 Organization as at March 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023, current assets as at March 31, 2023, and net assets as at March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 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 the Organization 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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 Organization'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 Organization'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 Organization 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.

Jamieson Mullin Chartered Professional Accountants Inc.

Jamieson Mullin Chartered Professional Accountants Inc.

Quispamsis, NB
September 5, 2023

New Brunswick Social Pediatrics Inc.
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2023 (With comparative figures for 2022)

	2023	2022
Revenues		
Grants and subsidies	$ 191,120	$ 185,970
Fundraising income	40,130	-
Donations	18,706	1,850
Amortization of deferred contributions related to capital assets	1,868	-
Program revenue	-	1,333
	251,824	189,153
Expenditures		
Wages and benefits	84,577	24,391
Rent and other rental expenses	29,154	21,674
Fundraising	23,131	-
Consulting fees	18,145	23,590
Office and administration	16,383	10,729
Family support programs	8,550	2,506
Amortization	5,731	1,687
Program and events	5,655	901
Professional fees	5,410	5,000
Community outreach programs	5,035	360
Accounting	3,288	1,081
Insurance	3,077	1,538
Interest and bank charges	264	735
	208,400	94,192
Excess of revenues over expenditures	43,424	94,961
Unrestricted - beginning of year	94,961	-
Unrestricted - end of year	$ 138,385	$ 94,961

New Brunswick Social Pediatrics Inc.
Statement of Financial Position
As at March 31, 2023 (With comparative figures for 2022)

	2023	2022
Assets		
Current		
Cash	$ 137,193	$ 63,882
Accounts receivable	3,051	22,567
Prepaid expenses and deposits	5,487	3,252
HST receivable	4,374	1,440
	150,105	91,141
Equipment and leasehold improvements (Note 3)	15,489	13,414
Total Assets	$ 165,594	$ 104,555
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 10,732	$ 9,594
Deferred contributions (Note 4)	12,975	-
	23,707	9,594
Deferred contributions related to capital assets (Note 5)	3,502	-
Total Liabilities	27,209	9,594
Net Assets		
Unrestricted	138,385	94,961
Total Liabilities and Net Assets	$ 165,594	$ 104,555

APPROVED BY:

Director

Director

New Brunswick Social Pediatrics Inc.
Statement of Cash Flows
For the year ended March 31, 2023 (With comparative figures for 2022)

	2023	2022
Operating activities		
Excess of revenues over expenditures	$ 43,424	$ 94,961
Adjustments for		
Amortization	5,731	1,687
Amortization of deferred contributions related to capital assets	(1,868)	-
	47,287	96,648
Change in non-cash working capital items		
Accounts receivable	19,516	(22,567)
Prepaid expenses and deposits	(2,235)	(3,252)
HST	(2,934)	(1,440)
Accounts payable and accrued liabilities	1,137	9,593
Deferred contributions	12,975	-
	75,746	78,982
Investing activities		
Purchase of equipment and leasehold improvements	(7,805)	(15,100)
Contributions related to capital assets	5,370	-
	(2,435)	(15,100)
Increase in cash	73,311	63,882
Cash - beginning of year	63,882	-
Cash - end of year	$ 137,193	$ 63,882

New Brunswick Social Pediatrics Inc.
Notes to Financial Statements
As at March 31, 2023 (With comparative figures for 2022)

1. Nature of The Business Activities

New Brunswick Social Pediatrics Inc. ("the "Organization") is a not-for-profit organization and is a registered charity under the Income Tax Act. The Organization commenced operations on April 1, 2021 and its purpose is to improve the quality of life, health and long-term outcomes of children and their families in New Brunswick. As a not-for-profit organization, the Organization is exempt from income taxes under section 149 of the Income Tax Act.

2. Summary Of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Cash

Cash consists of balances with financial institutions.

(c) Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the equipment and leasehold improvements over their estimated useful lives. The annual amortization rates are as follows:

Equipment	3 years
Furniture and fixtures	5 years

Amortization of leasehold improvements is recorded over the remaining term of the lease.

Equipment and leasehold improvements are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

(d) 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

New Brunswick Social Pediatrics Inc.
Notes to Financial Statements
As at March 31, 2023 (With comparative figures for 2022)

2. Summary Of Significant Accounting Policies, continued

(e) Contributions related to capital assets

Grants and donations received for the purpose of capital improvements are being deferred and amortized to revenue on the same basis the related capital assets are being amortized to expense.

(f) Financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization 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 accounts payable and accrued liabilities.

The Organization has not designated any financial asset or financial liability to be measured at fair value.

3. Equipment and Leasehold Improvements

	2023		2022	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
Equipment	**$ 1,961**	**$ 590**	$ 862	$ 119
Furniture and fixtures	**14,574**	**4,187**	13,238	1,317
Leasehold improvements	**6,371**	**2,640**	1,000	250
	22,906	**7,417**	15,100	1,686
Net book value	**$ 15,489**		$ 13,414	

4. Deferred Contributions

	2023	2022
Amounts received for specified purposes	**$ 16,630**	$ -
Amounts recognized as revenue	**(3,655)**	-
Balance - end of year	**$ 12,975**	$ -

The balance at the end of the year relates to the Cooking Up Justice Program ($6,345) and development of the Planetary Health Space ($6,630).

New Brunswick Social Pediatrics Inc.
Notes to Financial Statements
As at March 31, 2023 (With comparative figures for 2022)

5. Deferred Contributions Related to Capital Assets

	2023	2022
Contributions received related to capital assets	**$ 5,370**	$ -
Amount amortized to revenue	**(1,868)**	-
	$ 3,502	$ -

6. Commitments

Future minimum rental payments required under operating leases that have remaining terms in excess of one year are:

2024	$ 20,442
2025	5,136
	$ 25,578

7. Financial Instruments

The Organization is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Organization's exposure to these risks.

(a) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and operating lease commitments.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. The Organization reduces this risk by performing credit evaluations on its customers on a continuous basis.