

Financial Statements of

**CHILDREN'S AID
FOUNDATION OF CANADA**
(FORMERLY CHILDREN'S AID FOUNDATION)

Year ended March 31, 2018



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INDEPENDENT AUDITORS' REPORT

To the Members of the Children's Aid Foundation of Canada

We have audited the accompanying financial statements of the Children's Aid Foundation of Canada (formerly Children's Aid Foundation), which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Children's Aid Foundation of Canada (formerly Children's Aid Foundation) as at March 31, 2018, 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 14, 2018
Vaughan, Canada

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Statement of Financial Position

March 31, 2018, with comparative information for 2017

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Assets										
Current assets:										
Cash	\$ 262,455	\$ 354,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,455	\$ 354,025
Receivables (note 2)	248,605	171,910	-	-	-	1,000,000	297,341	1,029,505	545,946	2,201,415
Prepaid expenses	57,060	67,984	-	-	-	-	35,147	88,785	92,207	156,769
	568,120	593,919	-	-	-	1,000,000	332,488	1,118,290	900,608	2,712,209
Investments (note 3)	7,920,818	6,987,367	-	-	11,194,647	9,760,915	34,832,403	30,150,535	53,947,868	46,898,817
Capital assets (note 4)	-	-	340,204	422,139	-	-	-	-	340,204	422,139
	\$ 8,488,938	\$ 7,581,286	\$ 340,204	\$ 422,139	\$ 11,194,647	\$ 10,760,915	\$ 35,164,891	\$ 31,268,825	\$ 55,188,680	\$ 50,033,165
Liabilities and Fund Balances										
Current liabilities:										
Accounts payable and accrued liabilities	\$ 1,164,967	\$ 716,757	\$ -	\$ -	\$ -	\$ -	\$ 174,567	\$ 472,007	\$ 1,339,534	\$ 1,188,764
Grants payable (note 5)	-	-	-	-	-	-	783,030	249,562	783,030	249,562
Deferred revenue (note 6)	96,308	71,859	-	-	-	-	20,545	26,386	116,853	98,245
Interfund payable (receivable)	582,289	-	-	-	-	-	(582,289)	-	-	-
	1,843,564	788,616	-	-	-	-	395,853	747,955	2,239,417	1,536,571
Fund balances (notes 7 and 8)	6,645,374	6,792,670	340,204	422,139	11,194,647	10,760,915	34,769,038	30,520,870	52,949,263	48,496,594
Subsequent event (note 16)	-	-	-	-	-	-	-	-	-	-
	\$ 8,488,938	\$ 7,581,286	\$ 340,204	\$ 422,139	\$ 11,194,647	\$ 10,760,915	\$ 35,164,891	\$ 31,268,825	\$ 55,188,680	\$ 50,033,165

See accompanying notes to financial statements.

On behalf of the Board:



Treasurer, Board of Directors



Chair, Board of Directors

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue:										
Fundraising revenue:										
Donations and general fundraising (note 9)	\$ 1,561,350	\$ 696,484	\$ -	\$ -	\$ 409,259	\$ 1,086,124	\$ 7,119,276	\$ 7,332,861	\$ 9,089,885	\$ 9,115,469
Bequests (note 2)	376	50,306	-	-	-	1,000,000	582,500	-	582,876	1,050,306
	1,561,726	746,790	-	-	409,259	2,086,124	7,701,776	7,332,861	9,672,761	10,165,775
Fundraising events (note 9)	1,394,083	1,218,985	-	-	-	146,237	466,293	428,577	1,860,376	1,793,799
Less direct event expenses (note 9)	743,145	824,573	-	-	-	-	455,793	315,750	1,198,938	1,140,323
Net fundraising events	650,938	394,412	-	-	-	146,237	10,500	112,827	661,438	653,476
Fundraising revenue	2,212,664	1,141,202	-	-	409,259	2,232,361	7,712,276	7,445,688	10,334,199	10,819,251
Net investment income (note 10)	615,493	1,762,498	-	-	24,737	11,399	1,550,901	3,687,353	2,191,131	5,461,250
Rental revenue (note 5)	342,913	420,178	-	-	-	-	-	-	342,913	420,178
Gain on sale of capital assets	-	-	7,156,449	-	-	-	-	-	7,156,449	-
Total revenue	3,171,070	3,323,878	7,156,449	-	433,996	2,243,760	9,263,177	11,133,041	20,024,692	16,700,679
Expenditures:										
Grants and programs:										
Grants to national child welfare agencies and partners (notes 5 and 9)	371,663	1,636,591	-	-	-	-	7,754,350	5,948,334	8,126,013	7,584,925
Programs delivered by Children's Aid Foundation:										
Scholarships and bursaries	-	-	-	-	-	-	1,552,153	1,571,650	1,552,153	1,571,650
Other programs	1,361,902	1,225,200	-	-	-	-	154,375	114,557	1,516,277	1,339,757
	1,733,565	2,861,791	-	-	-	-	9,460,878	7,634,541	11,194,443	10,496,332
Operating:										
Fundraising	1,372,649	1,123,782	-	-	264	2,395	12,368	12,370	1,385,281	1,138,547
Administration (note 4)	1,012,696	1,053,475	13,935	19,711	-	-	1,274	-	1,027,905	1,073,186
Child welfare advocacy	380,086	336,109	-	-	-	-	-	-	380,086	336,109
	2,765,431	2,513,366	13,935	19,711	264	2,395	13,642	12,370	2,793,272	2,547,842
Total grants and expenditures	4,498,996	5,375,157	13,935	19,711	264	2,395	9,474,520	7,646,911	13,987,715	13,044,174
Excess (deficiency) of revenue over expenditures	\$ (1,327,926)	\$ (2,051,279)	\$ 7,142,514	\$ (19,711)	\$ 433,732	\$ 2,241,365	\$ (211,343)	\$ 3,486,130	\$ 6,036,977	\$ 3,656,505

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Statement of Changes in Fund Balances

Year ended March 31, 2018, with comparative information for 2017

2018	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of year	\$ 6,792,670	\$ 422,139	\$ 10,760,915	\$ 30,520,870	\$ 48,496,594
Excess (deficiency) of revenue over expenditures	(1,327,926)	7,142,514	433,732	(211,343)	6,036,977
Transfer to Children's Aid Society of Toronto (note 8)	–	–	–	(1,584,308)	(1,584,308)
Interfund transfers (note 12)	1,180,630	(7,224,449)	–	6,043,819	–
Fund balances, end of year	\$ 6,645,374	\$ 340,204	\$ 11,194,647	\$ 34,769,038	\$ 52,949,263

2017	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of year	\$ 7,620,123	\$ 441,850	\$ 8,489,550	\$ 29,943,310	\$ 46,494,833
Excess (deficiency) of revenue over expenditures	(2,051,279)	(19,711)	2,241,365	3,486,130	3,656,505
Transfer to Children's Aid Society of Toronto (note 8)	–	–	–	(1,654,744)	(1,654,744)
Interfund transfers (note 12)	1,223,826	–	30,000	(1,253,826)	–
Fund balances, end of year	\$ 6,792,670	\$ 422,139	\$ 10,760,915	\$ 30,520,870	\$ 48,496,594

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 6,036,977	\$ 3,656,505
Items not involving cash:		
Amortization of capital assets	13,935	19,711
Change in net unrealized loss (gain) on investments	1,416,590	(2,285,041)
Net realized gain on sale of investments	(2,678,174)	(1,878,271)
Gain on sale of capital assets	(7,156,449)	-
Change in non-cash operating working capital	2,422,877	(1,088,446)
	55,756	(1,575,542)
Financing:		
Transfer to Children's Aid Society of Toronto	(1,584,308)	(1,654,744)
Investments:		
Purchase of investments	(24,878,729)	(20,886,002)
Proceeds on the sale of investments	19,091,262	24,147,685
Proceeds on sale of capital assets	7,224,449	-
	1,436,982	3,261,683
Increase (decrease) in cash	(91,570)	31,397
Cash, beginning of year	354,025	322,628
Cash, end of year	\$ 262,455	\$ 354,025

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements

Year ended March 31, 2018

Children's Aid Foundation of Canada (formerly Children's Aid Foundation) (the "Foundation") is committed to improving the lives of abused and neglected children through education, enrichment, prevention and healing and recovery. The Foundation supports the individual needs of children before, during and after they leave the care of Children's Aid Societies; provides grants to the Children's Aid Society of Toronto (the "Society"), other child welfare organizations, as well as child-focused community groups in Ontario and other regions of Canada. To support these objectives, the Foundation raises funds from individuals, corporations and other foundations.

The Foundation was incorporated without share capital under the Corporations Act (Ontario) and on July 7, 2017, the Foundation continued under the Canada Not-for-profit Corporations Act under the name Children's Aid Foundation. The Foundation is a charitable organization registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies:

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

(a) Fund accounting:

The Foundation follows the Restricted fund method of accounting for contributions.

The General fund accounts for the Foundation's general fundraising, granting and administrative activities. This fund reports unrestricted resources available for immediate purposes.

The Capital fund accounts for all capital transactions, related debt and the net investment of the Foundation in such assets.

The Restricted fund reports resources that are to be used for special purposes as specified by the donor, the fundraising appeal or as determined by the Board of Directors.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

The Endowment funds report resources contributed for endowment purposes where either external or internal restrictions require that the principal must be maintained permanently. Investment income earned on resources of the Endowment funds is reported in the Restricted or General fund depending on the nature of any restrictions imposed by contributors of funds for endowment. Certain donors impose restrictions requiring that a portion of the Endowment funds investment income is permanently maintained. This income is reported in the Endowment funds.

(b) Revenue recognition:

Unrestricted contributions are recorded as revenue of the General fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions and endowments are recognized as revenue of the appropriate restricted fund. Pledges are recognized as receivable when a signed agreement exists, and when the amount can be reasonably estimated and ultimate collection is reasonably assured.

Restricted and unrestricted investment income is recognized as revenue when earned in the appropriate fund. Investment income, which is recorded on the accrual basis, includes interest income, dividends, net realized gains on investments and change in net unrealized gain (loss) on investment.

(c) Capital assets:

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value. Amortization is provided on a straight-line basis over the following periods:

Buildings	40 years
Furniture and equipment	3 - 5 years
Leasehold improvements	Term of lease

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry any such financial investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Donated goods and services:

Donated goods and services are recorded at fair value when fair value can be reasonably estimated.

(f) Translation of foreign currencies:

Assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at exchange rates prevailing at the year-end date. Revenue and expenditures items have been translated using average rates during the year. Gains and losses arising from these translation policies are included in the statement of operations.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(g) Expenditures allocation:

The Foundation classifies expenses on the statement of operations by function. Certain employees perform a combination of programs and operating functions; as a result, salaries are allocated based on functional activity. Other costs have been allocated on an appropriate basis between the programs and operating services benefited.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and net assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures and changes in net assets during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and allocation of expenditures. Actual results could differ from those estimates.

2. Bequests:

In 2017, there was a \$1,000,000 bequest included in receivables and revenue of the Endowment fund.

3. Investments:

	2018	2017
Cash and cash equivalents	\$ 7,972,482	\$ 6,962,147
Fixed income	11,433,755	10,512,793
Equities	34,541,631	29,423,877
	<u>\$ 53,947,868</u>	<u>\$ 46,898,817</u>

Fixed income investments are pooled fund units purchased with no specific date of maturity or interest rate.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

3. Investments (continued):

Investment risk management:

Risk management relates to the understanding and active management of risks associated with all areas of the Foundation and the associated operating environment. Investments are primarily exposed to interest rate, market and foreign currency risks. The Foundation has formal policies and procedures that establish target asset mix. The Foundation's policies also require diversification of investments within categories and set limits on exposure to individual investments. There has been no change to the risk exposure from 2017.

(a) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held through pooled funds by the Foundation. This risk is managed by staggering the terms of the securities held and ensuring diversification of the holdings.

(b) Market risk:

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the Foundation to a risk of loss. The Foundation mitigates this risk through controls to monitor and limit concentration levels.

(c) Foreign currency risk:

As at March 31, 2018, 29.5% (2017 - 27%) of the investments are invested in non-Canadian equities. Foreign currency risk arises from gains and losses due to fluctuations in foreign currency exchange rates on the Foundation's foreign securities. The Foundation does not hedge its foreign currency risk on these investments. The philosophy of the Foundation and its global investment management service provider is that since the portfolio is managed such that individual securities are held for the long term, and investments are held in multiple currencies, any foreign exchange risk should be minimized in the long term without the need for a hedging strategy to be implemented.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

4. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 253,132	\$ –	\$ 253,132	\$ 321,132
Buildings	949,136	874,723	74,413	80,276
Furniture and equipment	210,828	201,652	9,176	16,118
Leasehold improvements	153,912	150,429	3,483	4,613
	\$ 1,567,008	\$ 1,226,804	\$ 340,204	\$ 422,139

Amortization of \$13,935 (2017 - \$19,711) is included in administration expense in the Capital fund.

5. Transactions with the Children's Aid Society of Toronto:

The Foundation's real estate is leased to the Society for an annual rent of \$342,913 (2017 - \$420,178). The leases are for one-year terms, renewable annually. This rent approximates the fair market value rental of the properties. During the year ended March 31, 2018, the Foundation made a grant to the Society of \$342,913 (2017 - \$420,178) to cover a portion of these rental costs.

During the year ended March 31, 2018, the Foundation granted the Society an additional \$2,748,448 (2017 - \$2,806,054) relating to child welfare programs and \$347,463 (2017 - \$351,903) of donated goods and services. At year end, nil (2017 - \$61,565) of these grants remained unpaid.

The Foundation has a contract with the Society, whereby the Society provides various administration functions to the Foundation for an annual fee of \$10,000 (2017 - \$10,000). This approximates the fair market value of the services received.

The Foundation also holds and invests certain funds under a memorandum of understanding with the Society (see note 8 for details).

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

6. Deferred revenue:

Deferred revenue relates to revenue that has been received for events which are due to occur in the next 12 months.

	2018	2017
Balance, beginning of year	\$ 98,245	\$ 135,768
Amount recognized as revenue	(44,186)	(81,709)
Amount received related to future years	62,794	44,186
Balance, end of year	\$ 116,853	\$ 98,245

7. Endowment funds:

Endowment funds comprise both internally and externally endowed funds which total \$837,419 (2017 - \$836,928) and \$10,357,228 (2017 - \$8,923,987), respectively. Earnings on these endowments can be spent only on eligible activities relating predominately to scholarships and other educational objectives.

8. Restricted fund:

The Restricted fund represents funds that are used for specific purposes as specified by the donor or donor appeal, unrealized gains on investments of the Endowment funds and the Restricted fund for the Society.

Pursuant to the memorandum of understanding between the Foundation and the Society effective May 1, 2003, a restricted fund for the Society has been created for the Society's current and future real estate needs. The net investment income of this fund for each calendar year up to \$1,000,000 belongs to the Foundation. Any earnings over the first \$1,000,000 are allocated between the Foundation and the Society 80% and 20%, respectively. The Foundation's portion can be used for child welfare programs, investment management or administration. During the year, \$1,279,889 (2017 - \$1,355,628) was transferred to the General fund for this purpose (note 12). The Society's portion is reinvested until it is requested by the Society. At the Society's request, the Foundation transferred \$1,584,308 (2017 - \$1,654,744) to the Society during the year.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

8. Restricted fund (continued):

	2018	2017
Donor restricted balances	\$ 7,923,602	\$ 9,248,859
Endowment funds restricted investment income and net unrealized gains on endowment investments	4,379,376	4,032,912
Society	22,466,060	17,239,099
	\$ 34,769,038	\$ 30,520,870

9. Donated goods and services:

Donated goods and services include items donated for auctions and prizes at fundraising events and goods that have been received and transferred directly to child welfare agencies. These are reported in the statement of operations as follows:

	2018	2017
Revenue:		
Included in donations and general fundraising - Restricted fund	\$ 892,034	\$ 1,473,509
Included in fundraising events - Restricted fund	455,793	315,027
Expenditures:		
Included in grants to national child welfare agencies and partners - Restricted fund	892,034	1,473,509
Included in direct event expenses - Restricted fund	455,793	315,027

10. Net investment income:

	2018	2017
Interest and dividends	\$ 1,201,211	\$ 1,521,731
Net realized gain on sale of investments	2,678,174	1,878,271
Change in net unrealized gain (loss) on investments	(1,416,590)	2,285,041
Investment management fees	(271,664)	(223,793)
	\$ 2,191,131	\$ 5,461,250

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

10. Net investment income (continued):

Total net investment income earned on the endowment investments were recognized as follows:

	2018	2017
Restricted fund	\$ 768,339	\$ 1,587,347
Endowment funds	24,737	11,399
	<u>\$ 793,076</u>	<u>\$ 1,598,746</u>

11. Allocation of expenditures:

Salaries and administrative expenses have been allocated as follows:

	2018		2017	
	Amount	Basis	Amount	Basis
Other programs	\$ 1,131,477	31%	\$ 984,410	29%
Fundraising	1,201,121	32%	1,004,671	29%
Administration	1,007,029	27%	1,073,391	32%
Child welfare advocacy	380,086	10%	336,109	10%
	<u>\$ 3,719,713</u>	<u>100%</u>	<u>\$ 3,398,581</u>	<u>100%</u>

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

12. Interfund transfers:

2018	General fund	Capital fund	Restricted fund
Transfer to General fund (i)	\$ 1,279,889	\$ –	\$ (1,279,889)
Transfers to Restricted fund (ii)	(113,920)	(7,224,449)	7,338,369
Administration fee on Endowment fund (iii)	14,661	–	(14,661)
	\$ 1,180,630	\$ (7,224,449)	\$ 6,043,819

(i) In accordance with the memorandum of understanding between the Foundation and the Society effective May 1, 2003, these funds were transferred to the General fund (note 8).

(ii) The Foundation sold real estate properties during the year and transferred \$7,224,449 to the Restricted fund as per the memorandum of understanding between the Foundation and the Society. In addition, the Foundation transferred \$113,920 from the General fund to the Restricted fund as per donor restrictions placed on the funds.

(iii) In accordance with the Endowment Fund Policy \$14,661 was transferred to the General fund from the Restricted fund.

2017	General fund	Capital fund	Endowment funds	Restricted fund
Transfer to Endowment funds	\$ (30,000)	\$ –	\$ 30,000	\$ –
Transfer to General fund (note 8)	1,355,628	–	–	(1,355,628)
Payments from private trusts	(4,802)	–	–	4,802
Transfer to Restricted fund	(100,000)	–	–	100,000
Administration fee on Endowment fund	3,000	–	–	(3,000)
	\$ 1,223,826	\$ –	\$ 30,000	\$ (1,253,826)

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

13. Endowment funds held by other institutions:

(a) Endowment:

In 2010, the Foundation transferred \$100,000 to the George Brown College Foundation ("GBCF") to be held in perpetuity in an Endowment funds known as the Children's Aid Foundation Endowment. In 2012, a further \$100,000 was transferred to the GBCF from the Endowment funds. These funds were matched by the Ontario government and the total of the Endowment funds held by the GBCF for the Foundation as at March 31, 2018 is \$655,478 (2017 - \$633,777).

In 2012, \$250,000 was transferred to Centennial College and \$250,000 was transferred to Humber Institute of Technology and Advanced Learning from the Endowment funds. These funds were matched by the Ontario government during the year and the total of the Endowment funds held for the Foundation as at March 31, 2018 are \$515,713 (2017 - \$516,868) and \$580,919 (2017 - \$571,928), respectively.

In 2012, a donor established a similar fund at the University of Waterloo and these funds held for the Foundation are \$132,642 (2017 - \$130,911).

The capital is held in perpetuity and the income is used by the respective institutions to establish awards to support the advancement of the education of students pursuant to Endowment Agreements with the four institutions. None of these funds are reflected in these financial statements.

(b) Other:

The Foundation is entitled to \$10,000 in donated funds to be used for educational expenses of children under the Society's care. These funds are held by Ryerson University until they are used for the designated purpose, and have not been reflected in these financial statements.

14. Commitments:

The Foundation leases its office premises from the City of Toronto for \$1 per year (before operating costs). Estimated operating costs for fiscal 2018 are approximately \$55,000.

CHILDREN'S AID FOUNDATION OF CANADA

(FORMERLY CHILDREN'S AID FOUNDATION)

Notes to Financial Statements (continued)

Year ended March 31, 2018

15. Pension plan:

All employees of the Foundation are eligible to be members of the Ontario Municipal Employees Retirement System, which is a multi-employer defined benefit plan. Employer contributions to the plan during 2018 for current service amounted to \$218,604 (2017 - \$204,676).

16. Subsequent event:

Subsequent to year end, the Foundation sold a real estate property for a sale price of \$1,600,000, which resulted a capital gain of \$1,589,750.

17. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.