

Financial Statements of

**CHILDREN'S AID  
FOUNDATION OF CANADA**

And Independent Auditors' Report thereon

Year ended March 31, 2021



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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the financial statements of Children's Aid Foundation of Canada (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' Responsibility 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 auditors' 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 the 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.



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- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 9, 2021

# CHILDREN'S AID FOUNDATION OF CANADA

## Statement of Financial Position

March 31, 2021, with comparative information for 2020

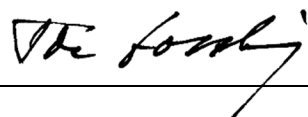
	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Assets</b>										
Current assets:										
Cash	\$ 1,280,918	\$ 986,966	\$ -	\$ -	\$ -	\$ -	\$ 22,526	\$ 54,984	\$ 1,303,444	\$ 1,041,950
Receivables	174,813	497,700	-	-	-	-	147,940	97,796	322,753	595,496
Prepaid expenses	29,809	28,743	-	-	-	-	4,481	-	34,290	28,743
Short-term investments (note 2)	-	-	-	-	-	-	4,000,000	-	4,000,000	-
	1,485,540	1,513,409	-	-	-	-	4,174,947	152,780	5,660,487	1,666,189
Investments (note 2)	11,802,625	5,844,119	-	-	13,633,628	12,696,698	38,463,477	34,582,378	63,899,730	53,123,195
Capital assets (note 3)	-	-	235,505	271,162	-	-	-	-	235,505	271,162
	\$ 13,288,165	\$ 7,357,528	\$ 235,505	\$ 271,162	\$ 13,633,628	\$ 12,696,698	\$ 42,638,424	\$ 34,735,158	\$ 69,795,722	\$ 55,060,546

## Liabilities and Fund Balances

Current liabilities:										
Accounts payable and accrued liabilities (note 7)	\$ 1,395,996	\$ 2,059,300	\$ -	\$ -	\$ -	\$ -	\$ 182,377	\$ 923,118	\$ 1,578,373	\$ 2,982,418
Grants payable (note 4)	-	-	-	-	-	-	312,168	45,918	312,168	45,918
Deferred revenue (note 5)	104,058	74,058	-	-	-	-	5,500	2,000	109,558	76,058
Interfund payable (receivable) (note 7)	(519,643)	(1,066,696)	-	-	-	-	519,643	1,066,696	-	-
	980,411	1,066,662	-	-	-	-	1,019,688	2,037,732	2,000,099	3,104,394
Fund balances (notes 6 and 7)	12,307,754	6,290,866	235,505	271,162	13,633,628	12,696,698	41,618,736	32,697,426	67,795,623	51,956,152
	\$ 13,288,165	\$ 7,357,528	\$ 235,505	\$ 271,162	\$ 13,633,628	\$ 12,696,698	\$ 42,638,424	\$ 34,735,158	\$ 69,795,722	\$ 55,060,546

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

## Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenue:</b>										
Fundraising revenue:										
Donations and general fundraising (note 8)	\$ 3,480,985	\$ 2,035,765	\$ -	\$ -	\$ 883,272	\$ 966,362	\$ 13,687,944	\$ 7,865,726	\$ 18,052,201	\$ 10,867,853
Government funding for programs (note 7)	-	-	-	-	-	-	2,647,197	-	2,647,197	-
Bequests	107,157	469	-	-	-	-	248,831	508,122	355,988	508,591
	3,588,142	2,036,234	-	-	883,272	966,362	16,583,972	8,373,848	21,055,386	11,376,444
Fundraising events (note 8)	707,914	1,547,355	-	-	-	-	492,522	632,132	1,200,436	2,179,487
Less direct event expenses (note 8)	32,825	753,369	-	-	-	-	472,547	366,399	505,372	1,119,768
Net fundraising events	675,089	793,986	-	-	-	-	19,975	265,733	695,064	1,059,719
Fundraising revenue	4,263,231	2,830,220	-	-	883,272	966,362	16,603,947	8,639,581	21,750,450	12,436,163
Net investment income (loss) (note 9)	2,974,538	(728,142)	-	-	53,658	38,154	10,090,519	(2,156,927)	13,118,715	(2,846,915)
Rental revenue (note 4)	155,729	170,822	-	-	-	-	-	-	155,729	170,822
Gain on sale of capital assets	-	-	1,974,000	940,000	-	-	-	-	1,974,000	940,000
Total revenue	7,393,498	2,272,900	1,974,000	940,000	936,930	1,004,516	26,694,466	6,482,654	36,998,894	10,700,070
<b>Expenditures:</b>										
Grants and programs:										
Grants to national child welfare agencies and partners (notes 4 and 8)	225,229	170,822	-	-	-	-	14,378,032	6,557,760	14,603,261	6,728,582
Programs delivered by Children's Aid Foundation:										
Scholarships and bursaries (note 6)	-	-	-	-	-	-	1,613,671	1,669,509	1,613,671	1,669,509
Other programs	905,084	1,281,467	-	-	-	-	415,931	261,435	1,321,015	1,542,902
	1,130,313	1,452,289	-	-	-	-	16,407,634	8,488,704	17,537,947	9,940,993
Operating:										
Fundraising	1,231,411	1,443,546	-	-	-	3,161	1,016	120	1,232,427	1,446,827
Administration (notes 3 and 4)	1,092,039	1,265,401	7,657	7,563	-	-	103,376	68,755	1,203,072	1,341,719
Child welfare advocacy	375,878	432,793	-	-	-	-	-	-	375,878	432,793
	2,699,328	3,141,740	7,657	7,563	-	3,161	104,392	68,875	2,811,377	3,221,339
Total grants and expenditures	3,829,641	4,594,029	7,657	7,563	-	3,161	16,512,026	8,557,579	20,349,324	13,162,332
Excess (deficiency) of revenue over expenditures	\$ 3,563,857	\$ (2,321,129)	\$ 1,966,343	\$ 932,437	\$ 936,930	\$ 1,001,355	\$ 10,182,440	\$ (2,074,925)	\$ 16,649,570	\$ (2,462,262)

See accompanying notes to financial statements.

# CHILDREN'S AID FOUNDATION OF CANADA

## Statement of Changes in Fund Balances

Year ended March 31, 2021, with comparative information for 2020

2021	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of year	\$ 6,290,866	\$ 271,162	\$ 12,696,698	\$ 32,697,426	\$ 51,956,152
Excess of revenue over expenditures	3,563,857	1,966,343	936,930	10,182,440	16,649,570
Transfer to Children's Aid Society of Toronto (note 7)	–	–	–	(810,099)	(810,099)
Interfund transfers (note 11)	2,453,031	(2,002,000)	–	(451,031)	–
<b>Fund balances, end of year</b>	<b>\$ 12,307,754</b>	<b>\$ 235,505</b>	<b>\$ 13,633,628</b>	<b>\$ 41,618,736</b>	<b>\$ 67,795,623</b>

2020	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of year	\$ 6,513,963	\$ 288,725	\$ 11,695,343	\$ 36,750,184	\$ 55,248,215
Excess (deficiency) of revenue over expenditures	(2,321,129)	932,437	1,001,355	(2,074,925)	(2,462,262)
Transfer to Children's Aid Society of Toronto (note 7)	–	–	–	(829,801)	(829,801)
Interfund transfers (note 11)	2,098,032	(950,000)	–	(1,148,032)	–
<b>Fund balances, end of year</b>	<b>\$ 6,290,866</b>	<b>\$ 271,162</b>	<b>\$ 12,696,698</b>	<b>\$ 32,697,426</b>	<b>\$ 51,956,152</b>

See accompanying notes to financial statements.

# CHILDREN'S AID FOUNDATION OF CANADA

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenditures	\$ 16,649,570	\$ (2,462,262)
Items not involving cash:		
Amortization of capital assets	7,657	7,563
Change in net unrealized loss (gain) on investments	(9,016,045)	5,275,540
Net realized gain on sale of investments	(2,272,136)	(841,164)
Gain on sale of capital assets	(1,974,000)	(940,000)
Change in non-cash operating working capital	(837,099)	(123,589)
	2,557,947	916,088
Financing:		
Transfer to Children's Aid Society of Toronto	(810,099)	—
Investments:		
Purchase of investments	(24,010,944)	(23,273,673)
Proceeds on the sale of investments	20,522,590	22,396,792
Proceeds on sale of capital assets	2,002,000	950,000
	(1,486,354)	73,119
Increase in cash	261,494	989,207
Cash, beginning of year	1,041,950	52,743
Cash, end of year	\$ 1,303,444	\$ 1,041,950

See accompanying notes to financial statements.



# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements

Year ended March 31, 2021

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Children's Aid Foundation of Canada (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 the child welfare system; provides grants and designs programs with 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.

On July 7, 2017, the Foundation continued under the Canada Not-for-profit Corporations Act under the name Children's Aid Foundation of Canada. 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 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.

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.

# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

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

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 gain (loss) on investments and change in net unrealized gain (loss) on investments.

### (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:

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

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# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 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

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 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. Actual results could differ from those estimates.

## 2. Investments:

	2021	2020
Cash and cash equivalents	\$ 6,321,797	\$ 4,984,005
Fixed income	12,737,680	10,420,087
Equities	39,405,016	32,600,382
Mortgage fund	5,435,237	5,118,721
	<u>\$ 63,899,730</u>	<u>\$ 53,123,195</u>

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

Short-term investments in the amount of \$4,000,000 (2020 - nil) include guaranteed investment certificates yielding interest at 0.35%, and maturing on August 18, 2021.

# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 2. 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 2020, inclusive of COVID-19.

### (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, 2021, 36% (2020 - 34%) 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

Notes to Financial Statements (continued)

Year ended March 31, 2021

### 3. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 175,881	\$ –	\$ 175,881	\$ 203,881
Buildings	784,080	725,954	58,126	62,571
Furniture and equipment	210,828	209,330	1,498	3,487
Leasehold improvements	153,911	153,911	–	1,223
	\$ 1,324,700	\$ 1,089,195	\$ 235,505	\$ 271,162

Amortization of \$7,657 (2020 - \$7,563) is included in administration expense in the Capital fund.

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

The Foundation's real estate is leased to the Society for an annual rent of \$155,729 (2020 - \$170,822). 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, 2021, the Foundation made a grant to the Society of \$155,729 (2020 - \$170,822) to cover these rental costs.

During the year ended March 31, 2021, the Foundation granted the Society an additional \$2,934,748 (2020 - \$3,143,122) relating to child welfare programs and \$48,042 (2020 - \$135,118) of donated goods and services. At year end, \$266,250 (2020 - nil) of these grants remain 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 (2020 - \$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 7 for details).

# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 5. Deferred revenue:

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

	2021	2020
Balance, beginning of year	\$ 76,058	\$ 476,058
Amount recognized as revenue	(22,000)	(422,000)
Amount received related to future years	55,500	22,000
Balance, end of year	\$ 109,558	\$ 76,058

## 6. Endowment funds:

Endowment funds comprise both internally and externally endowed funds which total \$839,302 (2020 - \$838,561) and \$12,794,326 (2020 - \$11,858,137), respectively. Earnings on these endowments can be spent only on eligible activities relating predominately to the Society grant, scholarships and other educational objectives. In 2021, expenditures totaled \$634,947 (2020 - \$473,999).

## 7. 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.

Government funding for programs includes program specific funds for youth who have aged out of care of a child welfare agency and youth from care such as part of the Youth Works program.

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, \$2,413,826 (2020 - \$2,066,696) was transferred to the General fund for this purpose (note 11). At the year end, \$519,643 (2020 - \$1,066,696) of this transfer was receivable to the General fund. At the Society's request, the Foundation transferred \$810,099 to the Society for fiscal 2021 (2020 - \$829,801) during the year.

# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 7. Restricted fund (continued):

	2021	2020
Donor restricted balances	\$ 9,015,696	\$ 7,826,204
Endowment funds restricted investment income and net unrealized gains on endowment investments	6,244,017	2,981,192
Society	26,359,023	21,890,030
	<u>\$ 41,618,736</u>	<u>\$ 32,697,426</u>

## 8. 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:

	2021	2020
Revenue:		
Included in donations and general fundraising - Restricted fund	\$ 257,050	\$ 353,631
Included in fundraising events - Restricted fund	472,547	366,399
Expenditures:		
Included in grants to national child welfare agencies and partners - Restricted fund	257,050	353,631
Included in direct event expenses - Restricted fund	472,547	366,399

## 9. Net investment income:

	2021	2020
Interest and dividends	\$ 2,092,847	\$ 1,844,310
Net realized gain on sale of investments	2,272,136	841,163
Change in net unrealized gain (loss) on investments	9,016,045	(5,275,540)
Investment management fees	(262,313)	(256,848)
	<u>\$ 13,118,715</u>	<u>\$ (2,846,915)</u>



# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 9. Net investment income (continued):

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

	2021	2020
Restricted fund	\$ 4,011,111	\$ (1,012,270)
Endowment funds	53,658	38,154
	<u>\$ 4,064,769</u>	<u>\$ (974,116)</u>

## 10. Allocation of expenditures:

Salaries and administrative expenses have been allocated as follows:

	2021	2020
Other programs	\$ 1,091,622	\$ 1,234,589
Fundraising	1,203,074	1,341,717
Administration	1,198,661	1,337,603
Child welfare advocacy	375,878	432,793
	<u>\$ 3,869,235</u>	<u>\$ 4,346,702</u>

## 11. Interfund transfers:

2021	General fund	Capital fund	Restricted fund
Transfer to General fund (i)	\$ 2,413,826	\$ –	\$ (2,413,826)
Transfers to Restricted fund (ii)	–	(2,002,000)	2,002,000
Administration fee on Endowment funds (iii)	39,205	–	(39,205)
	<u>\$ 2,453,031</u>	<u>\$ (2,002,000)</u>	<u>\$ (451,031)</u>

# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 11. Interfund transfers (continued):

2020	General fund	Capital fund	Restricted fund
Transfer to General fund (i)	\$ 2,066,696	\$ –	\$ (2,066,696)
Transfers to Restricted fund (ii)	(870)	(950,000)	950,870
Administration fee on Endowment funds (iii)	32,206	–	(32,206)
	<u>\$ 2,098,032</u>	<u>\$ (950,000)</u>	<u>\$ (1,148,032)</u>

- (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 7).
- (ii) The Foundation sold real estate properties during the year and transferred \$2,002,000 (2020 - \$950,000) to the Children's Aid Society Toronto Investment Fund as per the memorandum of understanding between the Foundation and the Society. In addition, the Foundation transferred a net amount of nil (2020 - \$870) to fund eligible expenditures.
- (iii) In accordance with the Endowment Fund Policy, \$39,205 (2020 - \$32,206) was transferred to the General fund from the Endowment funds.

## 12. 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 fund 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, 2021 is \$734,896 (2020 - \$656,052).

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, 2021 are \$506,631 (2020 - \$509,510) and \$608,928 (2020 - \$575,660), respectively.

# CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 12. Endowment funds held by other institutions (continued):

In 2012, a donor established a similar fund at the University of Waterloo and these funds held for the Foundation are \$138,838 (2020 - \$136,652).

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.

## 13. Commitments:

The Foundation leases its office premises from the City of Toronto for \$1 per year (before operating costs). Estimated operating costs for fiscal 2021 are approximately \$55,000 (2020 - \$55,000).

## 14. 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 2021 for current service amounted to \$237,322 (2020 - \$241,004).

Since the plan is a multi-employer plan, the Foundation's contributions are accounted for as if the plan were a defined contribution plan with the Foundation's contributions being expensed in the period they come due.