

Financial Statements of

**CHILDREN'S AID
FOUNDATION OF CANADA**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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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, 2022
- 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, 2022, 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' 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 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 represent 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

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 9, 2022

CHILDREN'S AID FOUNDATION OF CANADA

Statement of Financial Position

March 31, 2022, with comparative information for 2021

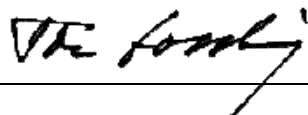
	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets										
Current assets:										
Cash	\$ 3,304,092	\$ 1,280,918	\$ -	\$ -	\$ -	\$ -	\$ 1,091,647	\$ 22,526	\$ 4,395,739	\$ 1,303,444
Receivables	213,592	174,813	-	-	-	-	234,689	147,940	448,281	322,753
Prepaid expenses	-	29,809	-	-	-	-	-	4,481	-	34,290
Short-term investments (note 2)	-	-	-	-	-	-	4,014,000	4,000,000	4,014,000	4,000,000
	3,517,684	1,485,540	-	-	-	-	5,340,336	4,174,947	8,858,020	5,660,487
Investments (note 2)	11,188,984	11,802,625	-	-	14,416,463	13,633,628	40,648,983	38,463,477	66,254,430	63,899,730
Capital assets (note 3)	-	-	265,346	235,505	-	-	-	-	265,346	235,505
	\$ 14,706,668	\$ 13,288,165	\$ 265,346	\$ 235,505	\$ 14,416,463	\$ 13,633,628	\$ 45,989,319	\$ 42,638,424	\$ 75,377,796	\$ 69,795,722

Liabilities and Fund Balances

Current liabilities:										
Accounts payable and accrued liabilities (note 7)	\$ 1,499,739	\$ 1,395,996	\$ -	\$ -	\$ -	\$ -	\$ 110,546	\$ 182,377	\$ 1,610,285	\$ 1,578,373
Grants payable (note 4)	-	-	-	-	-	-	54,168	312,168	54,168	312,168
Deferred revenue (note 5)	54,058	104,058	-	-	-	-	-	5,500	54,058	109,558
Interfund payable (receivable) (note 7)	(3,026,828)	(519,643)	-	-	-	-	3,026,828	519,643	-	-
	(1,473,031)	980,411	-	-	-	-	3,191,542	1,019,688	1,718,511	2,000,099
Fund balances (notes 6 and 7)	16,179,699	12,307,754	265,346	235,505	14,416,463	13,633,628	42,797,777	41,618,736	73,659,285	67,795,623
	\$ 14,706,668	\$ 13,288,165	\$ 265,346	\$ 235,505	\$ 14,416,463	\$ 13,633,628	\$ 45,989,319	\$ 42,638,424	\$ 75,377,796	\$ 69,795,722

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, 2022, with comparative information for 2021

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue:										
Fundraising revenue:										
Donations and general fundraising (note 8)	\$ 3,339,462	\$ 3,480,985	\$ –	\$ –	\$ 630,965	\$ 883,272	\$ 8,985,710	\$ 13,687,944	\$ 12,956,137	\$ 18,052,201
Government funding for programs (note 7)	–	–	–	–	–	–	1,801,579	2,647,197	1,801,579	2,647,197
Bequests	171,744	107,157	–	–	586,866	–	101,812	248,831	860,422	355,988
	3,511,206	3,588,142	–	–	1,217,831	883,272	10,889,101	16,583,972	15,618,138	21,055,386
Fundraising events (note 8)	1,321,385	707,914	–	–	–	–	583,554	492,522	1,904,939	1,200,436
Less direct event expenses (note 8)	532,308	32,825	–	–	–	–	290,517	472,547	822,825	505,372
Net fundraising events	789,077	675,089	–	–	–	–	293,037	19,975	1,082,114	695,064
Fundraising revenue	4,300,283	4,263,231	–	–	1,217,831	883,272	11,182,138	16,603,947	16,700,252	21,750,450
Net investment income (note 9)	616,577	2,974,538	–	–	65,325	53,658	2,670,592	10,090,519	3,352,494	13,118,715
Rental revenue (note 4)	128,415	155,729	–	–	–	–	–	–	128,415	155,729
Gain on sale of capital assets	–	–	1,660,000	1,974,000	–	–	–	–	1,660,000	1,974,000
Total revenue	5,045,275	7,393,498	1,660,000	1,974,000	1,283,156	936,930	13,852,730	26,694,466	21,841,161	36,998,894
Expenditures:										
Grants and programs:										
Grants to national child welfare agencies and partners (notes 4 and 8)	193,215	225,229	–	–	–	–	7,849,764	14,378,032	8,042,979	14,603,261
Programs delivered by Children's Aid Foundation of Canada:										
Scholarships and bursaries (note 6)	–	–	–	–	–	–	1,684,125	1,613,671	1,684,125	1,613,671
Other programs	1,154,389	905,084	–	–	–	–	637,086	415,931	1,791,475	1,321,015
	1,347,604	1,130,313	–	–	–	–	10,170,975	16,407,634	11,518,579	17,537,947
Operating:										
Fundraising	1,295,430	1,231,411	–	–	–	–	–	1,016	1,295,430	1,232,427
Administration (notes 3 and 4)	1,153,759	1,092,039	11,796	7,657	–	–	116,889	103,376	1,282,444	1,203,072
Child welfare advocacy	399,261	375,878	–	–	–	–	–	–	399,261	375,878
	2,848,450	2,699,328	11,796	7,657	–	–	116,889	104,392	2,977,135	2,811,377
Total grants and expenditures	4,196,054	3,829,641	11,796	7,657	–	–	10,287,864	16,512,026	14,495,714	20,349,324
Excess of revenue over expenditures	\$ 849,221	\$ 3,563,857	\$ 1,648,204	\$ 1,966,343	\$ 1,283,156	\$ 936,930	\$ 3,564,866	\$ 10,182,440	\$ 7,345,447	\$ 16,649,570

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION OF CANADA

Statement of Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

2022	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of year	\$ 12,307,754	\$ 235,505	\$ 13,633,628	\$ 41,618,736	\$ 67,795,623
Excess of revenue over expenditures	849,221	1,648,204	1,283,156	3,564,866	7,345,447
Transfer to Children's Aid Society of Toronto (note 7)	–	–	–	(777,785)	(777,785)
Endowment transfer (note 13)	–	–	(500,321)	(203,679)	(704,000)
Interfund transfers (note 11)	3,022,724	(1,618,363)	–	(1,404,361)	–
Fund balances, end of year	\$ 16,179,699	\$ 265,346	\$ 14,416,463	\$ 42,797,777	\$ 73,659,285

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)	–
Fund balances, end of year	\$ 12,307,754	\$ 235,505	\$ 13,633,628	\$ 41,618,736	\$ 67,795,623

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION OF CANADA

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 7,345,447	\$ 16,649,570
Items not involving cash:		
Amortization of capital assets	11,796	7,657
Change in net unrealized loss (gain) on investments	1,670,890	(9,016,045)
Net realized gain on sale of investments	(3,404,619)	(2,272,136)
Gain on sale of capital assets	(1,660,000)	(1,974,000)
Change in non-cash operating working capital	(372,826)	(837,099)
	<u>3,590,688</u>	<u>2,557,947</u>
Financing:		
Transfer to Children's Aid Society of Toronto	(777,785)	(810,099)
Endowment transfer	(704,000)	-
	<u>(1,481,785)</u>	<u>(810,099)</u>
Investments:		
Purchase of investments	(13,488,094)	(24,010,944)
Proceeds on the sale of investments	12,853,123	20,522,590
Purchase of capital assets	(51,637)	-
Proceeds on sale of capital assets	1,670,000	2,002,000
	<u>983,392</u>	<u>(1,486,354)</u>
Increase in cash	3,092,295	261,494
Cash, beginning of year	1,303,444	1,041,950
Cash, end of year	<u>\$ 4,395,739</u>	<u>\$ 1,303,444</u>

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements

Year ended March 31, 2022

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, 2022

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 on sale of 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:

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

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2022

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, 2022

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:

	2022	2021
Cash and cash equivalents	\$ 7,847,322	\$ 6,321,797
Fixed income	13,404,599	12,737,680
Equities	39,461,427	39,405,016
Mortgage fund	5,541,082	5,435,237
	<u>\$ 66,254,430</u>	<u>\$ 63,899,730</u>

Included in cash and cash equivalents are short-term investments in the amount of \$4,014,000, including guaranteed investment certificates yielding interest at 0.40%, and maturing on August 19, 2022.

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

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2022

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 2021, 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, 2022, 34% (2021 - 36%) 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, 2022

3. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 165,881	\$ –	\$ 165,881	\$ 175,881
Buildings	761,223	707,540	53,683	58,126
Furniture and equipment	262,465	216,683	45,782	1,498
Leasehold improvements	153,911	153,911	–	–
	\$ 1,343,480	\$ 1,078,134	\$ 265,346	\$ 235,505

Amortization of \$11,796 (2021 - \$7,657) 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 \$128,415 (2021 - \$155,729). 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, 2022, the Foundation made a grant to the Society of \$128,415 (2021 - \$155,729) to cover these rental costs.

During the year ended March 31, 2022, the Foundation granted the Society an additional \$3,669,524 (2021 - \$2,934,748) relating to child welfare programs and \$24,698 (2021 - \$48,042) of donated goods and services. At year end, nil (2021 - \$266,250) 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 (2021 - \$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, 2022

5. Deferred revenue:

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

	2022	2021
Balance, beginning of year	\$ 109,558	\$ 76,058
Amount recognized as revenue	(55,500)	(22,000)
Amount received related to future years	–	55,500
Balance, end of year	\$ 54,058	\$ 109,558

6. Endowment funds:

Endowment funds comprise both internally and externally endowed funds which total \$840,129 (2021 - \$839,302) and \$13,576,334 (2021 - \$12,794,326), respectively. Earnings on these endowments can be spent only on eligible activities relating predominately to the Society grant, scholarships and other educational objectives. In 2022, expenditures totaled \$730,969 (2021 - \$634,947).

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, \$3,026,828 (2021 - \$2,413,826) was transferred to the General fund for this purpose (note 11). At the year end, \$3,026,828 (2021 - \$519,643) of this transfer was receivable to the General fund. At the Society's request, the Foundation transferred \$777,785 to the Society for fiscal 2022 (2021 - \$810,099) during the year.

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2022

7. Restricted fund (continued):

	2022	2021
Donor restricted balances	\$ 10,743,837	\$ 9,015,696
Endowment funds restricted investment income and net unrealized gains on endowment investments	6,058,402	6,244,017
Society	25,995,538	26,359,023
	\$ 42,797,777	\$ 41,618,736

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:

	2022	2021
Revenue:		
Included in donations and general fundraising - Restricted fund	\$ 27,968	\$ 257,050
Included in fundraising events - Restricted fund	292,871	472,547
Expenditures:		
Included in grants to national child welfare agencies and partners - Restricted fund	27,968	257,050
Included in direct event expenses - Restricted fund	292,871	472,547

9. Net investment income:

	2022	2021
Interest and dividends	\$ 1,926,355	\$ 2,092,847
Net realized gain on sale of investments	3,404,619	2,272,136
Change in net unrealized gain (loss) on investments	(1,670,890)	9,016,045
Investment management fees	(307,590)	(262,313)
	\$ 3,352,494	\$ 13,118,715

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2022

9. Net investment income (continued):

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

	2022	2021
Restricted fund	\$ 822,032	\$ 4,011,111
Endowment funds	65,325	53,658
	<u>\$ 887,357</u>	<u>\$ 4,064,769</u>

10. Allocation of expenditures:

Salaries and administrative expenses have been allocated as follows:

	2022	2021
Other programs	\$ 1,224,807	\$ 1,091,622
Fundraising	1,254,423	1,203,074
Administration	1,235,219	1,198,661
Child welfare advocacy	399,261	375,878
	<u>\$ 4,113,710</u>	<u>\$ 3,869,235</u>

11. Interfund transfers:

2022	General fund	Capital fund	Restricted fund
Transfer to General fund (i)	\$ 3,026,828	\$ –	\$ (3,026,828)
Transfers to Restricted fund (ii)	–	(1,670,000)	1,670,000
Administration fee on Endowment funds (iii)	47,533	–	(47,533)
Transfer to fund purchase of capital assets	(51,637)	51,637	–
	<u>\$ 3,022,724</u>	<u>\$ (1,618,363)</u>	<u>\$ (1,404,361)</u>

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2022

11. Interfund transfers (continued):

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>

- (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 \$1,670,000 (2021 - \$2,002,000) to the Children's Aid Society Toronto Investment Fund as per the memorandum of understanding between the Foundation and the Society.
- (iii) In accordance with the Endowment Fund Policy, \$47,533 (2021 - \$39,205) 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, 2022 is \$769,054 (2021 - \$734,896).

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, 2022 are \$528,763 (2021 - \$506,631) and \$631,032 (2021 - \$608,928), respectively.

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2022

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 \$140,782 (2021 - \$138,838).

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. Endowment transfer:

In Fiscal 2003-2004 and 2004-2005 the Rosalie Hall Foundation transferred to the Foundation, by way of Deed of Trust, one endowed scholarship fund and five non-endowed scholarship funds ("the Trust"). The Rosalie Hall Foundation was reconstituted in September 2014 and in November 2019 requested a transfer of the Trust from the Foundation to the new Rosalie Hall Foundation. Following Board approval, legal opinion was obtained and new Deeds of Trust were prepared and signed. In December 2021, the Foundation transferred \$500,321 from the endowment fund and \$203,679 from the Restricted fund to the new Rosalie Hall Foundation.

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 2023 are approximately \$55,000.

CHILDREN'S AID FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2022

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 2022 for current service amounted to \$257,770 (2021 - \$237,322).

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.