

Financial Statements of

CHILDREN'S AID FOUNDATION

Period from May 1, 2015 to March 31, 2016



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Members of the Children's Aid Foundation

We have audited the accompanying financial statements of the Children's Aid Foundation, which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in fund balances and cash flows for the period from May 1, 2015 to March 31, 2016, 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.



Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Children's Aid Foundation as at March 31, 2016, and its results of operations and its cash flows for the period from May 1, 2015 to March 31, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

September 13, 2016
Vaughan, Canada

CHILDREN'S AID FOUNDATION

Statement of Financial Position

March 31, 2016, with comparative information for April 30, 2015

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Assets										
Current assets:										
Cash	\$ 322,628	\$ 674,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,628	\$ 674,123
Receivables	725,844	201,111	-	-	-	-	1,292,414	471,975	2,018,258	673,086
Prepaid expenses	80,476	71,716	-	-	-	-	-	-	80,476	71,716
	1,128,948	946,950	-	-	-	-	1,292,414	471,975	2,421,362	1,418,925
Investments (note 2)	8,230,228	10,472,445	-	-	8,489,550	7,605,066	29,277,410	28,360,306	45,997,188	46,437,817
Capital assets (note 3)	-	-	441,850	486,806	-	-	-	-	441,850	486,806
	\$ 9,359,176	\$ 11,419,395	\$ 441,850	\$ 486,806	\$ 8,489,550	\$ 7,605,066	\$ 30,569,824	\$ 28,832,281	\$ 48,860,400	\$ 48,343,548

Liabilities and Fund Balances

Current liabilities:										
Accounts payable and accrued liabilities	\$ 1,181,145	\$ 644,512	\$ -	\$ -	\$ -	\$ -	\$ 204,069	\$ 226,454	\$ 1,385,214	\$ 870,966
Grants payable (note 4)	444,140	27,000	-	-	-	-	400,445	156,929	844,585	183,929
Deferred revenue (note 5)	113,768	345,136	-	-	-	-	22,000	-	135,768	345,136
	1,739,053	1,016,648	-	-	-	-	626,514	383,383	2,365,567	1,400,031
Fund balances (notes 6 and 7)	7,620,123	10,402,747	441,850	486,806	8,489,550	7,605,066	29,943,310	28,448,898	46,494,833	46,943,517
	\$ 9,359,176	\$ 11,419,395	\$ 441,850	\$ 486,806	\$ 8,489,550	\$ 7,605,066	\$ 30,569,824	\$ 28,832,281	\$ 48,860,400	\$ 48,343,548

See accompanying notes to financial statements.

On behalf of the Board:



Andrew W. Dunn
Chair, Finance and Audit Committee



Lynn Factor
Chair, Board of Directors

CHILDREN'S AID FOUNDATION

Statement of Operations

Period from May 1, 2015 to March 31, 2016, with comparative information for the year ended April 30, 2015

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue:										
Fundraising revenue:										
Donations and general fundraising (note 8)	\$ 702,556	\$ 597,901	\$ -	\$ -	\$ 231,802	\$ 530,998	\$ 6,244,442	\$ 5,327,342	\$ 7,178,800	\$ 6,456,241
Bequests	80,285	140,887	-	-	-	-	-	400,000	80,285	540,887
	782,841	738,788	-	-	231,802	530,998	6,244,442	5,727,342	7,259,085	6,997,128
Fundraising events (note 8)	2,575,225	2,565,642	-	-	123,821	157,990	213,358	170,602	2,912,404	2,894,234
Less direct event expenses (note 8)	1,599,939	1,538,891	-	-	-	11,051	-	-	1,599,939	1,549,942
Net fundraising events	975,286	1,026,751	-	-	123,821	146,939	213,358	170,602	1,312,465	1,344,292
Fundraising revenue	1,758,127	1,765,539	-	-	355,623	677,937	6,457,800	5,897,944	8,571,550	8,341,420
Net investment income (loss) (note 9)	(53,897)	1,149,333	-	-	5,785	8,119	(306,561)	2,260,276	(354,673)	3,417,728
Rental revenue (note 4)	397,090	449,832	-	-	-	-	-	-	397,090	449,832
Gain on sale of capital assets	-	-	3,062,000	-	-	-	-	-	3,062,000	-
Total revenue	2,101,320	3,364,704	3,062,000	-	361,408	686,056	6,151,239	8,158,220	11,675,967	12,208,980
Expenditures:										
Grants and programs:										
Grants to national child welfare agencies and partners (notes 4 and 8)	1,702,272	1,476,453	-	-	-	-	4,229,599	3,425,477	5,931,871	4,901,930
Programs delivered by Children's Aid Foundation:										
Scholarships and bursaries	-	-	-	-	-	-	1,554,885	1,177,070	1,554,885	1,177,070
Other programs	1,084,008	938,051	-	-	-	-	72,975	43,018	1,156,983	981,069
	2,786,280	2,414,504	-	-	-	-	5,857,459	4,645,565	8,643,739	7,060,069
Operating:										
Fundraising	975,406	1,230,835	-	-	-	-	10,000	-	985,406	1,230,835
Administration (note 3)	1,029,710	1,031,955	16,908	19,180	-	-	-	-	1,046,618	1,051,135
Child welfare advocacy	351,624	334,226	-	-	-	-	-	-	351,624	334,226
	2,356,740	2,597,016	16,908	19,180	-	-	10,000	-	2,383,648	2,616,196
Total grants and expenditures	5,143,020	5,011,520	16,908	19,180	-	-	5,867,459	4,645,565	11,027,387	9,676,265
Excess (deficiency) of revenue over expenditures	\$ (3,041,700)	\$ (1,646,816)	\$ 3,045,092	\$ (19,180)	\$ 361,408	\$ 686,056	\$ 283,780	\$ 3,512,655	\$ 648,580	\$ 2,532,715

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION

Statement of Changes in Fund Balances

Period from May 1, 2015 to March 31, 2016, with comparative information for the year ended April 30, 2015

2016	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of period	\$ 10,402,747	\$ 486,806	\$ 7,605,066	\$ 28,448,898	\$ 46,943,517
Excess (deficiency) of revenue over expenditures	(3,041,700)	3,045,092	361,408	283,780	648,580
Transfer to Children's Aid Society of Toronto (note 7)	–	–	–	(1,097,264)	(1,097,264)
Interfund transfers (note 11)	259,076	(3,090,048)	523,076	2,307,896	–
Fund balances, end of period	\$ 7,620,123	\$ 441,850	\$ 8,489,550	\$ 29,943,310	\$ 46,494,833

2015	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of year	\$ 8,946,697	\$ 505,986	\$ 6,455,316	\$ 28,982,803	\$ 44,890,802
Excess (deficiency) of revenue over expenditures	(1,646,816)	(19,180)	686,056	3,512,655	2,532,715
Transfer to Children's Aid Society of Toronto (note 7)	–	–	–	(480,000)	(480,000)
Interfund transfers (note 11)	3,102,866	–	463,694	(3,566,560)	–
Fund balances, end of year	\$ 10,402,747	\$ 486,806	\$ 7,605,066	\$ 28,448,898	\$ 46,943,517

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION

Statement of Cash Flows

Period from May 1, 2015 to March 31, 2016, with comparative information for the year ended April 30, 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 648,580	\$ 2,532,715
Items not involving cash:		
Amortization of capital assets	16,908	19,180
Change in net unrealized loss on investments	3,341,387	82,242
Net realized gain on sale of investments	(1,951,045)	(2,381,110)
Gain on sale of capital assets	(3,062,000)	–
Change in non-cash operating working capital	(388,396)	(72,723)
	(1,394,566)	180,304
Financing:		
Transfer to Children's Aid Society of Toronto	(1,097,264)	(480,000)
Investments:		
Purchase of investments	(12,136,874)	(13,729,591)
Proceeds on the sale of investments	11,187,161	14,686,308
Additions to capital assets	(9,952)	–
Proceeds on sale of capital assets	3,100,000	–
	2,140,335	956,717
Increase (decrease) in cash	(351,495)	657,021
Cash, beginning of period	674,123	17,102
Cash, end of period	\$ 322,628	\$ 674,123

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements

Period from May 1, 2015 to March 31, 2016

The 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 is incorporated without share capital under the Corporations Act (Ontario). 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.

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

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

1. Significant accounting policies (continued):

(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 gains on sale of securities and net unrealized gains.

(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

(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.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal period 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 period, 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 period-end date. Revenue and expenditures items have been translated using average rates during the period. Gains and losses arising from these translation policies are included in the statement of operations.

(g) Expenditures allocation:

Salary and administration expenses are allocated to fundraising, administration, child welfare advocacy and grants and programs based on full-time equivalents. Bank charges are fully allocated to administration.

(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 period. 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.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

2. Investments:

	2016	2015
Cash and cash equivalents	\$ 6,821,498	\$ 5,819,685
Fixed income	11,029,808	10,773,946
Equities	28,145,882	29,844,186
	<u>\$ 45,997,188</u>	<u>\$ 46,437,817</u>

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

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 2015.

(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.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

2. Investments (continued):

(c) Foreign currency risk:

As at March 31, 2016, 22% (2015 - 22%) 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.

3. Capital assets:

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 321,132	\$ –	\$ 321,132	\$ 359,132
Buildings	1,105,450	1,019,311	86,139	91,516
Furniture and equipment	210,828	181,991	28,837	29,381
Leasehold improvements	153,912	148,170	5,742	6,777
	\$ 1,791,322	\$ 1,349,472	\$ 441,850	\$ 486,806

Amortization of \$16,908 (2015 - \$19,180) 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 \$396,390 (2015 - \$449,832). As at March 31, 2016, this amount had not been received and is included in accounts receivable (2015 - nil). The leases are for one-year terms, renewable annually. This rent approximates the fair market value rental of the properties. During the period ended March 31, 2016, the Foundation made a grant to the Society of \$396,390 (2015 - \$443,808) to cover a portion of these rental costs which is included in grants payable at year end.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

4. Transactions with the Children's Aid Society of Toronto (continued):

During the period ended March 31, 2016, the Foundation granted the Society an additional \$2,392,731 (2015 - \$2,309,243) relating to child welfare programs and \$479,496 (2015 - \$867,411) of donated goods and services. At period end, \$215,264 (2015 - \$56,525) 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 (2015 - \$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).

5. Deferred revenue:

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

	2016	2015
Balance, beginning of period	\$ 345,136	\$ 311,465
Amount recognized as revenue	(291,077)	(257,407)
Amount received related to future periods	81,709	291,078
Balance, end of period	\$ 135,768	\$ 345,136

6. Endowment funds:

Endowment funds comprise both internally and externally endowed funds which total \$836,500 (2015 - \$282,526) and \$7,653,050 (2015 - \$7,322,540), respectively. Earnings on these endowments can be spent only on eligible activities relating predominately to scholarships and other educational objectives.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

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.

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 period, \$345,684 (2015 - \$3,423,323) was transferred to the General fund for this purpose. The Society's portion is reinvested until it is requested by the Society. At the Society's request, the Foundation transferred \$1,097,264 (2015 - \$480,000) to the Society during the period.

	2016	2015
Donor restricted balances	\$ 8,718,056	\$ 6,176,853
Endowment funds restricted investment income and net unrealized gains on endowment investments	2,786,733	5,121,107
Society	18,438,521	17,150,938
	<u>\$ 29,943,310</u>	<u>\$ 28,448,898</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:

	2016	2015
Revenue:		
Included in donations and general fundraising - Restricted fund	\$ 822,972	\$ 867,411
Included in fundraising events - General fund	998,099	629,214
Expenditures:		
Included in grants to national child welfare agencies and partners - Restricted fund	822,972	867,411
Included in direct event expenses - General fund	998,099	629,214

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

9. Net investment income:

	2016	2015
Interest and dividends	\$ 1,230,938	\$ 1,320,710
Net realized gain on sale of investments	1,951,045	2,381,110
Change in net unrealized loss on investments	(3,341,387)	(82,242)
Investment management fees	(195,269)	(201,850)
	<u>\$ (354,673)</u>	<u>\$ 3,417,728</u>

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

	2016	2015
Net investment income - Restricted fund	\$ 71,016	\$ 879,141
Net investment income - Endowment funds	5,785	8,119
	<u>\$ 76,801</u>	<u>\$ 887,260</u>

10. Allocation of expenditures:

Each category on the statement of operations has an allocation of salary and administration expenses based on full time equivalents according to the following schedule:

	2016		2015	
	Amount	Basis	Amount	Basis
Other programs	\$ 892,935	28%	\$ 781,105	24%
Administration	1,029,710	32%	1,031,955	31%
Fundraising	938,126	29%	1,168,220	35%
Child welfare advocacy	351,264	11%	334,226	10%
	<u>\$ 3,212,035</u>	<u>100%</u>	<u>\$ 3,315,506</u>	<u>100%</u>

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

11. Interfund transfers:

2016	General fund	Capital fund	Endowment funds	Restricted fund
Transfer to Endowment funds	\$ –	\$ –	\$ 523,076	\$ (523,076)
Transfer to General fund (note 7)	345,684	–	–	(345,684)
Payments from private trusts	(76,656)	–	–	76,656
Transfer proceeds on sale of capital assets to Restricted	–	(3,100,000)	–	3,100,000
Transfer from General fund to fund purchase of capital assets	(9,952)	9,952	–	–
	\$ 259,076	\$ (3,090,048)	\$ 523,076	\$ 2,307,896

2015	General fund	Endowment funds	Restricted fund
Transfer of Endowment funds	\$ (314,554)	\$ 463,694	\$ (149,140)
Transfer to General fund (note 7)	3,423,323	–	(3,423,323)
Payments from private trusts	(5,903)	–	5,903
	\$ 3,102,866	\$ 463,694	\$ (3,566,560)

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 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, 2016 is \$613,798 (March 31, 2015 - \$615,337).

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 period and the total of the Endowment funds held for the Foundation as at March 31, 2016 are \$514,868 (March 31, 2015 - \$510,809) and \$551,032 (March 31, 2015 - \$551,032), respectively.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Period from May 1, 2015 to March 31, 2016

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 \$128,247 (2015 - \$128,247).

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 2017 are approximately \$50,000.

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 2016 for current service amounted to \$186,508 (2015 - \$197,888).