

Financial Statements of

CHILDREN'S AID FOUNDATION

Year ended March 31, 2017



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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, 2017, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Children's Aid Foundation as at March 31, 2017, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 15, 2017
Vaughan, Canada

CHILDREN'S AID FOUNDATION

Statement of Financial Position

March 31, 2017, with comparative information for 2016

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Assets										
Current assets:										
Cash	\$ 354,025	\$ 322,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,025	\$ 322,628
Receivables (note 2)	171,910	725,844	-	-	-	-	2,029,505	1,292,414	2,201,415	2,018,258
Prepaid expenses	67,984	80,476	-	-	-	-	88,785	-	156,769	80,476
	593,919	1,128,948	-	-	-	-	2,118,290	1,292,414	2,712,209	2,421,362
Investments (note 3)	6,987,367	8,230,228	-	-	9,760,915	8,489,550	30,150,535	29,277,410	46,898,817	45,997,188
Capital assets (note 4)	-	-	422,139	441,850	-	-	-	-	422,139	441,850
	\$ 7,581,286	\$ 9,359,176	\$ 422,139	\$ 441,850	\$ 9,760,915	\$ 8,489,550	\$ 32,268,825	\$ 30,569,824	\$ 50,033,165	\$ 48,860,400

Liabilities and Fund Balances

Current liabilities:										
Accounts payable and accrued liabilities	\$ 716,757	\$ 1,181,145	\$ -	\$ -	\$ -	\$ -	\$ 472,007	\$ 204,069	\$ 1,188,764	\$ 1,385,214
Grants payable (note 5)	-	444,140	-	-	-	-	249,562	400,445	249,562	844,585
Deferred revenue (note 6)	71,859	113,768	-	-	-	-	26,386	22,000	98,245	135,768
	788,616	1,739,053	-	-	-	-	747,955	626,514	1,536,571	2,365,567
Fund balances (notes 7 and 8)	6,792,670	7,620,123	422,139	441,850	9,760,915	8,489,550	31,520,870	29,943,310	48,496,594	46,494,833
	\$ 7,581,286	\$ 9,359,176	\$ 422,139	\$ 441,850	\$ 9,760,915	\$ 8,489,550	\$ 32,268,825	\$ 30,569,824	\$ 50,033,165	\$ 48,860,400

See accompanying notes to financial statements.

On behalf of the Board:



Treasurer, Board of Directors



Chair, Board of Directors

CHILDREN'S AID FOUNDATION

Statement of Operations

Year ended March 31, 2017, with comparative information for the period from May 1, 2015 to March 31, 2016

	General fund		Capital fund		Endowment funds		Restricted fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue:										
Fundraising revenue:										
Donations and general fundraising (note 9)	\$ 705,484	\$ 962,099	\$ -	\$ -	\$ 1,061,124	\$ 231,802	\$ 7,332,861	\$ 6,289,065	\$ 9,099,469	\$ 7,482,966
Bequests (note 2)	50,306	80,285	-	-	-	-	1,000,000	-	1,050,306	80,285
	755,790	1,042,384	-	-	1,061,124	231,802	8,332,861	6,289,065	10,149,775	7,563,251
Fundraising events (note 9)	1,209,985	1,498,478	-	-	171,237	123,821	428,577	991,707	1,809,799	2,614,006
Less direct event expenses (note 9)	823,878	782,735	-	-	-	-	315,750	822,972	1,139,628	1,605,707
Net fundraising events	386,107	715,743	-	-	171,237	123,821	112,827	168,735	670,171	1,008,299
Fundraising revenue	1,141,897	1,758,127	-	-	1,232,361	355,623	8,445,688	6,457,800	10,819,946	8,571,550
Net investment income (loss) (note 10)	1,762,498	(53,897)	-	-	11,399	5,785	3,687,353	(306,561)	5,461,250	(354,673)
Rental revenue (note 5)	420,178	397,090	-	-	-	-	-	-	420,178	397,090
Gain on sale of capital assets	-	-	-	3,062,000	-	-	-	-	-	3,062,000
Total revenue	3,324,573	2,101,320	-	3,062,000	1,243,760	361,408	12,133,041	6,151,239	16,701,374	11,675,967
Expenditures:										
Grants and programs:										
Grants to national child welfare agencies and partners (notes 5 and 9)	1,648,291	1,702,272	-	-	-	-	5,950,729	4,229,599	7,599,020	5,931,871
Programs delivered by Children's Aid Foundation:										
Scholarships and bursaries	-	-	-	-	-	-	1,571,650	1,554,885	1,571,650	1,554,885
Other programs	1,214,232	1,084,008	-	-	-	-	124,327	72,975	1,338,559	1,156,983
	2,862,523	2,786,280	-	-	-	-	7,646,706	5,857,459	10,509,229	8,643,739
Operating:										
Fundraising	1,123,745	975,406	-	-	2,395	-	-	10,000	1,126,140	985,406
Administration (note 4)	1,053,475	1,029,710	19,711	16,908	-	-	205	-	1,073,391	1,046,618
Child welfare advocacy	336,109	351,624	-	-	-	-	-	-	336,109	351,624
	2,513,329	2,356,740	19,711	16,908	2,395	-	205	10,000	2,535,640	2,383,648
Total grants and expenditures	5,375,852	5,143,020	19,711	16,908	2,395	-	7,646,911	5,867,459	13,044,869	11,027,387
Excess (deficiency) of revenue over expenditures	\$ (2,051,279)	\$ (3,041,700)	\$ (19,711)	\$ 3,045,092	\$ 1,241,365	\$ 361,408	\$ 4,486,130	\$ 283,780	\$ 3,656,505	\$ 648,580

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION

Statement of Changes in Fund Balances

Year ended March 31, 2017, with comparative information for the period from May 1, 2015 to March 31, 2016

2017	General fund	Capital fund	Endowment funds	Restricted fund	Total
Fund balances, beginning of period	\$ 7,620,123	\$ 441,850	\$ 8,489,550	\$ 29,943,310	\$ 46,494,833
Excess (deficiency) of revenue over expenditures	(2,051,279)	(19,711)	1,241,365	4,486,130	3,656,505
Transfer to Children's Aid Society of Toronto (note 8)	–	–	–	(1,654,744)	(1,654,744)
Interfund transfers (note 12)	1,223,826	–	30,000	(1,253,826)	–
Fund balances, end of period	\$ 6,792,670	\$ 422,139	\$ 9,760,915	\$ 31,520,870	\$ 48,496,594

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 8)	–	–	–	(1,097,264)	(1,097,264)
Interfund transfers (note 12)	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

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION

Statement of Cash Flows

Year ended March 31, 2017, with comparative information for the period from May 1, 2015 to March 31, 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 3,656,505	\$ 648,580
Items not involving cash:		
Amortization of capital assets	19,711	16,908
Change in net unrealized loss (gain) on investments	(2,285,041)	3,341,387
Net realized gain on sale of investments	(1,878,271)	(1,951,045)
Gain on sale of capital assets	–	(3,062,000)
Change in non-cash operating working capital	(1,088,446)	(388,396)
	(1,575,542)	(1,394,566)
Financing:		
Transfer to Children's Aid Society of Toronto	(1,654,744)	(1,097,264)
Investments:		
Purchase of investments	(20,886,002)	(12,136,874)
Proceeds on the sale of investments	24,147,685	11,187,161
Additions to capital assets	–	(9,952)
Proceeds on sale of capital assets	–	3,100,000
	3,261,683	2,140,335
Increase (decrease) in cash	31,397	(351,495)
Cash, beginning of period	322,628	674,123
Cash, end of period	\$ 354,025	\$ 322,628

See accompanying notes to financial statements.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements

Year ended March 31, 2017

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)

Year ended March 31, 2017

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

(c) Capital assets:

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

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

(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)

Year ended March 31, 2017

1. Significant accounting policies (continued):

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:

Contributed materials and services are recorded only if the fair value can be reasonably estimated at the date of contribution and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

(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.

(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 during the year. Significant items subject to such estimates and assumptions include the useful lives of capital assets and allocation of expenditures. Actual results could differ from those estimates.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2017

2. Bequests:

Included in accounts receivable is an amount of \$1,000,000 (2016 - nil) for a bequest which was received subsequent to year end and is included in bequests revenue in the Restricted fund.

3. Investments:

	2017	2016
Cash and cash equivalents	\$ 6,962,147	\$ 6,821,498
Fixed income	10,512,793	11,029,808
Equities	29,423,877	28,145,882
	<u>\$ 46,898,817</u>	<u>\$ 45,997,188</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 2016.

(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)

Year ended March 31, 2017

3. Investments (continued):

(c) Foreign currency risk:

As at March 31, 2017, 27% (2016 - 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.

4. Capital assets:

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 321,132	\$ –	\$ 321,132	\$ 321,132
Buildings	1,105,450	1,025,174	80,276	86,139
Furniture and equipment	210,828	194,710	16,118	28,837
Leasehold improvements	153,912	149,299	4,613	5,742
	<u>\$ 1,791,322</u>	<u>\$ 1,369,183</u>	<u>\$ 422,139</u>	<u>\$ 441,850</u>

Amortization of \$19,711 (2016 - \$16,908) is included in administration expense in the Capital fund.

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

The Foundation's real estate is leased to the Society for an annual rent of \$420,178 (2016 - \$396,390). 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, 2017, the Foundation made a grant to the Society of \$420,178 (2016 - \$396,390) to cover a portion of these rental costs.

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2017

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

During the year ended March 31, 2017, the Foundation granted the Society an additional \$2,806,054 (2016 - \$2,392,731) relating to child welfare programs and \$351,903 (2016 - \$479,496) of donated goods and services. At year end, \$61,565 (2016 - \$215,264) 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 (2016 - \$10,000). This approximates the fair market value of the services received.

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

6. Deferred revenue:

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

	2017	2016
Balance, beginning of year	\$ 135,768	\$ 345,136
Amount recognized as revenue	(81,709)	(291,077)
Amount received related to future years	44,186	81,709
Balance, end of year	\$ 98,245	\$ 135,768

7. Endowment funds:

Endowment funds comprise both internally and externally endowed funds which total \$836,928 (2016 - \$836,500) and \$8,923,987 (2016 - \$7,653,050), 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)

Year ended March 31, 2017

8. Restricted fund:

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

Pursuant to the memorandum of understanding between the Foundation and the Society effective May 1, 2003, a restricted fund for the Society has been created for the Society's current and future real estate needs. The net investment income of this fund for each calendar year up to \$1,000,000 belongs to the Foundation. Any earnings over the first \$1,000,000 are allocated between the Foundation and the Society 80% and 20%, respectively. The Foundation's portion can be used for child welfare programs, investment management or administration. During the year, \$1,335,628 (2016 - \$345,684) 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 \$1,654,744 (2016 - \$1,097,264) to the Society during the year.

	2017	2016
Donor restricted balances	\$ 10,248,859	\$ 8,718,056
Endowment funds restricted investment income and net unrealized gains on endowment investments	4,032,912	2,786,733
Society	17,239,099	18,438,521
	<u>\$ 31,520,870</u>	<u>\$ 29,943,310</u>

9. Donated goods and services:

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

	2017	2016
Revenue:		
Included in donations and general fundraising - Restricted fund	\$ 1,473,509	\$ 998,099
Included in fundraising events - Restricted fund	315,027	822,972
Expenditures:		
Included in grants to national child welfare agencies and partners - Restricted fund	1,473,509	998,099
Included in direct event expenses - Restricted fund	315,027	822,972

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2017

10. Net investment income:

	2017	2016
Interest and dividends	\$ 1,521,731	\$ 1,230,938
Net realized gain on sale of investments	1,878,271	1,951,045
Change in net unrealized gain (loss) on investments	2,285,041	(3,341,387)
Investment management fees	(223,793)	(195,269)
	<u>\$ 5,461,250</u>	<u>\$ (354,673)</u>

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

	2017	2016
Restricted fund	\$ 1,587,347	\$ 71,016
Endowment funds	11,399	5,785
	<u>\$ 1,598,746</u>	<u>\$ 76,801</u>

11. 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:

	2017		2016	
	Amount	Basis	Amount	Basis
Other programs	\$ 984,410	29%	\$ 892,935	28%
Administration	1,073,391	32%	1,029,710	32%
Fundraising	1,004,671	29%	938,126	29%
Child welfare advocacy	336,109	10%	351,264	11%
	<u>\$ 3,398,581</u>	<u>100%</u>	<u>\$ 3,212,035</u>	<u>100%</u>

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2017

12. Interfund transfers:

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

- (i) The Foundation received updated gift agreements and accordingly transferred \$30,000 and \$100,000 to the respective funds.
- (ii) In accordance with the memorandum of understanding between the Foundation and the Society effective May 1, 2003, these funds were transferred to the General fund (note 8).
- (iii) In accordance with the new Endowment Fund Policy effective April 1, 2016, \$3,000 was transferred to the General fund from the Endowment fund.

2016	General fund	Capital fund	Endowment funds	Restricted fund
Transfer to Endowment funds	\$ –	\$ –	\$ 523,076	\$ (523,076)
Transfer to General fund (note 8)	345,684	–	–	(345,684)
Payments from private trusts	(76,656)	–	–	76,656
Transfer proceeds on sale of capital assets to Restricted fund	–	(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

13. Endowment funds held by other institutions:

(a) Endowment:

In 2010, the Foundation transferred \$100,000 to the George Brown College Foundation ("GBCF") to be held in perpetuity in an Endowment funds known as the Children's Aid Foundation Endowment. In 2012, a further \$100,000 was transferred to the GBCF from the Endowment funds. These funds were matched by the Ontario government and the total of the Endowment funds held by the GBCF for the Foundation is \$644,998 (2016 - \$613,798).

CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2017

13. Endowment funds held by other institutions (continued):

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, 2017 are \$516,868 (2016 - \$514,868) and \$571,928 (2016 - \$551,032), respectively.

In 2012, a donor established a similar fund at the University of Waterloo and these funds held for the Foundation are \$130,911 (2016 - \$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.

14. Commitments:

The Foundation leases its office premises from the City of Toronto for \$1 per year (before operating costs). Estimated operating costs for fiscal 2018 are approximately \$50,000.

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 2017 for current service amounted to \$204,676 (2016 - \$186,508).

16. Comparative information:

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