

Peel Children's Aid Foundation

Financial Statements
March 31, 2020



Independent auditor's report

To the Board of Directors and Members of Peel Children's Aid Foundation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Peel Children's Aid Foundation (the Foundation) as at March 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at March 31, 2020;
- the statement of operations and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these 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.
- 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Foundation 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.

We 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
September 17, 2020

Peel Children's Aid Foundation

Statement of Financial Position

As at March 31, 2020

	General fund		Endowment funds		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Assets						
Current assets						
Cash	575,044	603,359	43,017	53,918	618,061	657,277
Accounts receivable	12,594	17,477	-	-	12,594	17,477
Marketable securities – at cost	-	204	-	-	-	204
Inventory – vouchers and gifts	300	300	-	-	300	300
Prepaid expenses	5,827	6,739	-	-	5,827	6,739
	<u>593,765</u>	<u>628,079</u>	<u>43,017</u>	<u>53,918</u>	<u>636,782</u>	<u>681,997</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	35,757	43,871	-	-	35,757	43,871
Deferred revenue (note 3)	350,890	420,179	-	-	350,890	420,179
	<u>386,647</u>	<u>464,050</u>	<u>-</u>	<u>-</u>	<u>386,647</u>	<u>464,050</u>
Fund Balances						
General fund	207,118	164,029	-	-	207,118	164,029
Endowment funds (note 4)	-	-	43,017	53,918	43,017	53,918
	<u>207,118</u>	<u>164,029</u>	<u>43,017</u>	<u>53,918</u>	<u>250,135</u>	<u>217,947</u>
	<u>593,765</u>	<u>628,079</u>	<u>43,017</u>	<u>53,918</u>	<u>636,782</u>	<u>681,997</u>

Approved by the Board of Directors

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

Peel Children's Aid Foundation

Statement of Operations and Changes in Fund Balances

For the year ended March 31, 2020

	General fund		Endowment funds		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Revenue						
Donations	784,465	707,051	6,940	5,335	791,405	712,386
Fundraising events	261,377	259,186	-	-	261,377	259,186
Fundraising for the capital campaign	559,189	-	-	-	559,189	-
Investment income	11,930	9,529	6,386	5,107	18,316	14,636
	1,616,961	975,766	13,326	10,442	1,630,287	986,208
Gifts-in-kind	974,820	615,752	-	-	974,820	615,752
	2,591,781	1,591,518	13,326	10,442	2,605,107	1,601,960
Expenses						
Fundraising events	72,119	81,986	-	-	72,119	81,986
Other fundraising	200,460	171,824	-	-	200,460	171,824
General and administrative	132,495	120,113	-	-	132,495	120,113
Community awareness	5,692	16,104	-	-	5,692	16,104
Program development, monitoring and evaluation	106,390	98,508	-	-	106,390	98,508
	517,156	488,535	-	-	517,156	488,535
Excess of revenue over expenses before the following	2,074,625	1,102,983	13,326	10,442	2,087,951	1,113,425
Contributions to programs						
Payments made to children programs (note 5)	548,450	455,128	7,200	7,000	555,650	462,128
Donations of gifts-in-kind (note 5)	974,820	615,752	-	-	974,820	615,752
Contributions to capital campaign	502,494	-	-	-	502,494	-
	2,025,764	1,070,880	7,200	7,000	2,032,964	1,077,880
Excess of revenue over expenses for the year	48,861	32,103	6,126	3,442	54,987	35,545
Fund balances – Beginning of year	164,029	122,083	53,918	60,319	217,947	182,402
Transfer of endowment (note 4)	-	-	(22,799)	-	(22,799)	-
Interfund transfers (note 2)	(5,772)	9,843	5,772	(9,843)	-	-
Fund balances – End of year	207,118	164,029	43,017	53,918	250,135	217,947

The accompanying notes are an integral part of these financial statements.

Peel Children's Aid Foundation

Statement of Cash Flows

For the year ended March 31, 2020

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	54,987	35,545
Items not affecting cash		
Gifts-in-kind received	(974,820)	(615,752)
Donations of gifts-in-kind	974,820	615,752
	<hr/>	<hr/>
	54,987	35,545
Net changes in non-cash working capital items		
Accounts receivable	4,883	(9,822)
Prepaid expenses	912	3,474
Accounts payable and accrued liabilities	(8,114)	14,388
Deferred revenue	(69,289)	16,054
	<hr/>	<hr/>
	(16,621)	59,639
Investing activities		
Proceeds from sale (purchase) of investments	204	(204)
Transfer of endowment funds (note 4)	(22,799)	-
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	(22,595)	(204)
(Decrease) increase in cash during the year	(39,216)	59,435
Cash – Beginning of year	<hr/>	<hr/>
	657,277	597,842
Cash – End of year	<hr/>	<hr/>
	618,061	657,277

The accompanying notes are an integral part of these financial statements.

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2020

1 Nature and purpose of organization

Peel Children's Aid Foundation (the Foundation) is a not-for-profit organization incorporated on July 8, 2002 without share capital under the laws of the Province of Ontario. The Foundation is a registered charity (registration number 864521240 RR0001) and, as such, is exempt from income taxes and may issue income tax receipts to donors.

While protection services provided by The Children's Aid Society of the Region of Peel (the Society) are funded by the Ontario Ministry of Children and Youth Services, other programs and services of the Society are funded by donations from the public. The mission of the Foundation is to raise funds, including gifts-in-kind, for the benefit of these other programs and services of the Society, which are directed to poverty relief, enrichment and education of children and youth.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and reflect the following policies.

Revenue recognition and funds

- General fund

Donation revenue is recorded in the year to which it relates if receipt is reasonably assured. Revenue relating to specific events and programs that have not yet occurred is recorded as deferred revenue until the event or program takes place. Fundraising for the capital campaign are amounts received pursuant to a campaign to provide funding for the Society's new facility. The amounts received are recorded as deferred revenue until they are contributed to the Society.

Donors contribute gifts-in-kind, food and gift vouchers, clothing, toys, etc., and these contributions are recorded as revenue at their fair value. Gift vouchers received are retained by the Foundation and donated to the Society as required to support children's programs. Food vouchers, clothing, toys, etc. are donated to the Society for children's programs when received.

The Foundation's operating and administrative activities are paid from the general fund.

- Endowment funds

Endowment funds are resources contributed for restricted uses, as determined by the donors. Endowment donations and net investment income are recognized as revenue when collection is reasonably assured and when earned.

- Interfund transfers

Interfund transfers from the general to the endowment funds are made by the Foundation to fund any new endowment funds. Transfers from the endowment to the general funds are made when the restricted contributed resources are used for their intended purpose.

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2020

Contributed services

Volunteers contribute a large number of hours per week to assist the Foundation in carrying out its activities. Despite the fact that without these volunteer hours certain activities would have to be cut back or possibly cancelled, these services would not otherwise be purchased and, as a result, the value of contributed services has not been recognized in these financial statements.

Allocation of expenses

The Foundation allocates certain of its salary and wages expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year.

Financial instruments

Financial assets and financial liabilities are recognized when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are derecognized when the rights and obligations to receive or repay cash flows from the assets and liabilities have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

The Foundation initially recognizes all its financial assets and financial liabilities at fair value and subsequently at amortized cost, except for investments, which are recorded at fair value. Changes in fair value are recognized in the statement of operations and changes in fund balances. Financial assets, at amortized cost, are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3 Deferred revenue

Deferred revenue comprises the following amounts:

	2020 \$	2019 \$
Corporate donations deferred	74,330	118,203
Donations – bursaries	249,904	243,513
Fundraising events	26,656	58,463
	<hr/> 350,890	<hr/> 420,179

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2020

4 Endowment funds

The following endowment funds were established by donors to fund bursaries or special education needs for children in the care of the Society:

	2020 \$	2019 \$
Carl Ingebertson Child Welfare Bursary Fund	-	298
Knights of Columbus Heart Lake Council 9108 Memorial Bursary Fund	-	22,005
Independence Achievement Award Fund	24,227	10,916
Jim Ho Bursary Fund	4,702	2,149
Robert Armstrong Memorial Fund	-	2,519
Blair Eales Advancement Resource Fund	7,066	7,416
Ujima Trust Fund	76	1,259
Firefly Bursary	6,946	7,356
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	43,017	53,918

The Foundation is the sole beneficiary of funds held at local community foundations. The funds are maintained by the community foundations and annual distributions are made to the Foundation to fund bursaries. The funds are comprised of the following amounts:

	2020 \$	2019 \$
Community Foundation of Mississauga		
RBC Fund for Peel Children's Aid Foundation	55,895	29,818
Brampton and Caledon Community Foundation		
Robert Armstrong Memorial Fund	49,597	45,578
Carl Ingebertson Child Welfare Bursary Fund	34,042	30,798
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	139,534	106,194

The Foundation is entitled to the interest revenue earned year over year from the endowment funds, which are to be used as bursaries and other special education needs. The Foundation is restricted from using the principal portion of the funds for any activity other than earning interest income. During the year, the Foundation transferred \$22,799 (2019 – \$nil) from the Knights of Columbus Heart Lake Council 9108 Memorial Bursary Fund to the RBC Fund for Peel Children's Aid Foundation held by the Community Foundation of Mississauga.

Peel Children's Aid Foundation

Notes to Financial Statements

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5 Contributions to programs for children

The Foundation works with the Society to identify programs requiring funding. These programs are funded from general donations raised and from donations for which the donor has specifically identified a children's program.

The programs supported are:

	2020 \$	2019 \$
Payments made		
Bursaries	209,302	212,500
Holiday Wishes	61,578	50,254
Infant Wellness Program	50,000	6,462
School Supplies 4 Kids	11,540	6,873
Skills for Success	74,974	97,630
Wishes 4 Kids	51,069	19,510
Summer Camp	10,000	38,000
Poverty Relief	-	543
Foster Care Kits	49,030	5,000
Kids Power Program	10,390	-
Clothing distribution program	20,567	18,356
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	548,450	455,128
Donations of gifts-in-kind		
Holiday Wishes and Poverty Program	974,820	615,752
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	1,523,270	1,070,880
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Salaries and benefits of the Foundation staff specifically incurred for children's programs in the amount of \$37,221 (2019 – \$53,836) are included above.

6 COVID-19

On March 11, 2020, the World Health Organization (WHO) characterized the novel coronavirus (COVID-19) as a global pandemic. The outbreak has resulted in various public health and emergency measures which were still in effect post year-end. The duration and impact of the COVID-19 pandemic is unknown at this time. It is not possible to reliably estimate the length and severity of these measures to quantify the impact this pandemic may have on the financial results and condition of the Foundation in future periods. Management continues to analyze the extent of the financial impact; however, the duration and severity of the COVID-19 pandemic could result in material changes to estimates and assumptions.