

Peel Children's Aid Foundation

Financial Statements
March 31, 2021



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, 2021 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, 2021;
 - 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.
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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

August 25, 2021

Peel Children's Aid Foundation

Statement of Financial Position

As at March 31, 2021

	General fund		Endowment funds		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash	810,066	575,044	44,723	43,017	854,789	618,061
Accounts receivable	11,070	12,594	-	-	11,070	12,594
Inventory – vouchers and gifts	300	300	-	-	300	300
Artwork held for sale	32,275	-	-	-	32,275	-
Prepaid expenses	871	5,827	-	-	871	5,827
	<u>854,582</u>	<u>593,765</u>	<u>44,723</u>	<u>43,017</u>	<u>899,305</u>	<u>636,782</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	42,557	35,757	-	-	42,557	35,757
Loan payable (note 7)	40,000	-	-	-	40,000	-
Deferred revenue (note 3)	478,992	350,890	-	-	478,992	350,890
	<u>561,549</u>	<u>386,647</u>	<u>-</u>	<u>-</u>	<u>561,549</u>	<u>386,647</u>
Fund Balances						
General fund	293,033	207,118	-	-	293,033	207,118
Endowment funds (note 4)	-	-	44,723	43,017	44,723	43,017
	<u>293,033</u>	<u>207,118</u>	<u>44,723</u>	<u>43,017</u>	<u>337,756</u>	<u>250,135</u>
	<u>854,582</u>	<u>593,765</u>	<u>44,723</u>	<u>43,017</u>	<u>899,305</u>	<u>636,782</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, 2021

	General fund		Endowment funds		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Revenue						
Donations	1,287,850	784,465	4,015	6,940	1,291,865	791,405
Fundraising events	39,158	261,377	-	-	39,158	261,377
Fundraising for the capital campaign	474,469	559,189	-	-	474,469	559,189
Investment income	4,231	11,930	6,608	6,386	10,839	18,316
	1,805,708	1,616,961	10,623	13,326	1,816,331	1,630,287
Gifts-in-kind	217,241	974,820	-	-	217,241	974,820
	2,022,949	2,591,781	10,623	13,326	2,033,572	2,605,107
Expenses						
Fundraising events	4,678	72,119	-	-	4,678	72,119
Other fundraising	174,769	200,460	-	-	174,769	200,460
General and administrative	149,680	132,495	-	-	149,680	132,495
Community awareness	4,928	5,692	-	-	4,928	5,692
Program development, monitoring and evaluation	94,252	106,390	-	-	94,252	106,390
	428,307	517,156	-	-	428,307	517,156
Excess of revenue over expenses before the following	1,594,642	2,074,625	10,623	13,326	1,605,265	2,087,951
CEBA loan forgiveness (note 7)	20,000	-	-	-	20,000	-
Contributions to programs						
Payments made to children programs (note 5)	894,599	548,450	3,200	7,200	897,799	555,650
Donations of gifts-in-kind (note 5)	184,966	974,820	-	-	184,966	974,820
Contributions to capital campaign	454,879	502,494	-	-	454,879	502,494
	1,534,444	2,025,764	3,200	7,200	1,537,644	2,032,964
Excess of revenue over expenses for the year	80,198	48,861	7,423	6,126	87,621	54,987
Fund balances – Beginning of year	207,118	164,029	43,017	53,918	250,135	217,947
Transfer of endowment (note 4)	-	-	-	(22,799)	-	(22,799)
Interfund transfers (note 2)	5,717	(5,772)	(5,717)	5,772	-	-
Fund balances – End of year	293,033	207,118	44,723	43,017	337,756	250,135

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, 2021

	2021 \$	2020 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	87,621	54,987
Items not affecting cash		
Gifts-in-kind received	(217,241)	(974,820)
Donations of gifts-in-kind	184,966	974,820
Loan payable forgiveness	(20,000)	-
	<hr/>	<hr/>
	35,346	54,987
Net changes in non-cash working capital items		
Accounts receivable	1,524	4,883
Prepaid expenses	4,956	912
Accounts payable and accrued liabilities	6,800	(8,114)
Deferred revenue	128,102	(69,289)
	<hr/>	<hr/>
	176,728	(16,621)
Investing activities		
Proceeds from sale of investments	-	204
Transfer of endowment funds (note 4)	-	(22,799)
	<hr/>	<hr/>
	-	(22,595)
Financing activities		
Proceeds from loan	60,000	-
	<hr/>	<hr/>
Increase (decrease) in cash during the year	236,728	(39,216)
Cash – Beginning of year	<hr/>	<hr/>
	618,061	657,277
Cash – End of year	<hr/>	<hr/>
	854,789	618,061

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

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2021

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 and are recorded as revenue when received.

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, 2021

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:

	2021 \$	2020 \$
Corporate donations deferred	72,684	74,330
Donations – bursaries	278,276	249,904
Fundraising events	128,032	26,656
	<hr/> 478,992	<hr/> 350,890

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2021

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:

	2021 \$	2020 \$
Independence Achievement Award Fund	27,389	24,227
Jim Ho Bursary Fund	3,227	4,702
Blair Eales Advancement Resource Fund	7,114	7,066
Ujima Trust Fund	-	76
Firefly Bursary	6,993	6,946
	<hr/> 44,723	<hr/> 43,017

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:

	2021 \$	2020 \$
Community Foundation of Mississauga		
Peel Children's Aid Foundation Fund	60,157	55,895
Brampton and Caledon Community Foundation		
Robert Armstrong Memorial Fund	49,710	43,639
Carl Ingebertson Child Welfare Bursary Fund	56,552	29,953
	<hr/> 166,419	<hr/> 129,487

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.

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2021

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 as follows:

	2021 \$	2020 \$
Payments made		
Bursaries	190,754	209,302
Holiday Wishes	121,901	61,578
Infant Wellness Program	36,603	50,000
School Supplies 4 Kids	-	11,540
Skills for Success	75,250	74,974
Wishes 4 Kids	30,655	51,069
Summer Camp	-	10,000
Poverty Relief	800	-
Foster Care Kits	20,804	49,030
Kids Power Program	-	10,390
COVID-19 Program	366,920	-
Clothing distribution program	54,112	20,567
	<hr/>	<hr/>
	897,799	548,450
Donations of gifts-in-kind		
Holiday Wishes and Poverty Program	184,966	974,820
	<hr/>	<hr/>
	1,082,765	1,523,270

Salaries and benefits of the Foundation staff specifically incurred for children's programs in the amount of \$20,873 (2020 – \$37,221) 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. At this time, COVID-19 has not had a significant negative impact on the operations and financial position of the organization. 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.

Peel Children's Aid Foundation

Notes to Financial Statements

March 31, 2021

7 Loan payable

The Foundation received a \$60,000 Canada Emergency Business Account (CEBA) loan in the year. CEBA is a COVID-19 interest-free relief loan that is due December 31, 2022. There are no set terms of repayment. \$20,000 of the CEBA loan has been recognized as forgivable and will remain eligible for forgiveness if the balance remaining by the due date is at or below \$20,000. If the balance has not been paid and forgiven by the original due date, interest at a rate of 5% per annum will be charged effective January 1, 2023. If the loan remains outstanding after December 31, 2022, only interest payments are required until the full principal is due on December 31, 2025.