
Financial statements of
Child Development
Institute Foundation

March 31, 2018

Independent Auditor's Report	1
Statement of financial position	2
Statement of operations and changes in net assets	3
Statement of cash flows	4
Notes to the financial statements	5–10

Independent Auditor's Report

To the Members,
Child Development Institute Foundation

We have audited the accompanying financial statements of Child Development Institute Foundation which comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in net assets and of cash flows for the year then ended, and 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.

Auditor's 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 the auditor's 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, the auditor considers 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Child Development Institute Foundation as at March 31, 2018 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.

Other matter

The statement of financial position as at March 31, 2017 and the statements of operations and changes in net assets and of cash flows for the year then ended were audited by another auditor who issued an unmodified opinion on May 25, 2017.



Chartered Professional Accountants
Licensed Public Accountants
May 28, 2018

Child Development Institute Foundation

Statement of financial position

As at March 31, 2018

		2018			2017
		Restricted funds	Board funds	Endowment fund	Total
Notes		\$	\$	\$	\$
					(Note 11)
Assets					
Current assets					
	Cash	212,324	108,100	—	314,490
	Short-term investments	3,684,412	1,759,814	466,188	5,910,414
	Sales tax recoverable	—	3,018	—	1,104
	Due from Child Development Institute	—	187,953	—	16,011
		3,896,736	2,058,885	466,188	5,942,545
	Capital assets	3,050,394	—	—	3,119,565
		6,947,130	2,058,885	466,188	9,062,110
Liabilities					
Current liabilities					
	Accounts payable and accrued liabilities	—	5,500	—	1,392
Net assets					
	Wimodausis Children's Endowment Fund	—	—	466,188	460,198
	Camp Wimodausis Fund	717	—	—	—
	SNAP Girls Fund	72,290	—	—	—
	CDI Research Fund	1,364,619	—	—	1,315,530
	Family Violence Fund	496,092	—	—	484,683
	SNAP Campaign	1,163,076	—	—	913,539
	Integra funds	784,603	—	—	651,317
	Capital fund	3,050,394	—	—	3,119,565
	Other funds	15,339	—	—	17,835
	Board funds	—	2,053,385	—	2,098,051
		6,947,130	2,053,385	466,188	9,060,718
		6,947,130	2,058,885	466,188	9,062,110

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

Approved on behalf of the Board:

_____, Director

_____, Director

Child Development Institute Foundation
Statement of operations and changes in net assets
Year ended March 31, 2018

	2018			2017	
Notes	Restricted funds	Board funds	Endowment fund	Total	Total
	\$	\$	\$	\$	\$
					(Note 11)
Revenue					
Donations and fundraising	418,575	92,289	—	510,864	833,647
Investment income	124,466	61,446	20,244	206,156	663,554
Rental income	—	98,040	—	98,040	96,120
	543,041	251,775	20,244	815,060	1,593,321
Expenses					
Donation to Child Development Institute	40,963	200,371	—	241,334	898,190
Administration	—	76,486	—	76,486	29,550
Professional fees	—	19,584	—	19,584	10,130
Fundraising	—	—	—	—	7,433
Caring award	2,500	—	—	2,500	2,500
Amortization	69,171	—	—	69,171	70,945
	112,634	296,441	—	409,075	1,018,748
Excess of revenue over expenses (expenses over revenue) for the year	430,407	(44,666)	20,244	405,985	574,573
Net assets, beginning of year					
As previously reported	6,602,469	2,098,051	460,198	9,160,718	8,486,145
Prior period adjustment (Note 11)	(100,000)	—	—	(100,000)	—
As restated	6,502,469	2,098,051	460,198	9,060,718	8,486,145
Inter-fund transfer during year	14,254	—	(14,254)	—	—
Net assets, end of year	6,947,130	2,053,385	466,188	9,466,703	9,060,718

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

Child Development Institute Foundation

Statement of cash flows

Year ended March 31, 2018

	2018	2017
	\$	\$
		(Note 11)
Operating activities		
Excess of revenue over expenses for the year	405,985	574,573
Adjustments for items not involving cash		
Add (deduct) net unrealized losses (gains)		
on investments	87,097	(505,588)
Add amortization	69,171	70,945
Net change in non-cash working capital items		
(see below)	(169,748)	(5,833)
	392,505	134,097
Investing activities		
Net purchase of managed funds	(290,583)	(155,837)
Net (purchase) sale of guaranteed investment		
certificates	(95,988)	2,345
	(386,571)	(153,492)
Net increase (decrease) in cash for the year	5,934	(19,395)
Cash, beginning of year	314,490	333,885
Cash, end of year	320,424	314,490
Net change in non-cash working capital items		
Decrease (increase) in current assets –		
Sales tax recoverable	(1,914)	(161)
Due from Child Development Institute	(171,942)	(2,211)
Increase (decrease) in current liabilities –		
Accounts payable and accrued liabilities	4,108	(3,461)
	(169,748)	(5,833)

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

Child Development Institute Foundation

Notes to the financial statements

March 31, 2018

Child Development Institute Foundation (the Foundation) is a registered charitable public foundation under the Income Tax Act (Canada) and incorporated under the Canada Not-for-profit Corporations Act without share capital. The Foundation is exempt from income tax in Canada. In order to maintain its status as a registered public foundation, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The primary objective of the Foundation is to support the charitable activities of Child Development Institute (CDI), a charitable organization operating in Toronto.

1. Classification of net assets by restriction

Donations received by the Foundation have been classified in funds by type of restriction imposed. Fund groupings are as follows:

Restricted Funds

Donations with externally imposed restrictions are classified as Restricted Funds (see Note 10).

Board Funds

Donations with restrictions imposed by the Board of Directors of the Foundation are classified as Board Funds (see Note 9).

Endowment Fund

Donations of which the capital is not available to be spent by the Foundation are classified as endowments (see Note 8).

2. Significant accounting policies

Management is responsible for preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and their recognition in these financial statements are as follows:

- (i) The Foundation follows the restricted fund method of revenue recognition whereby donations and other contributions are recorded as revenue in the period received. Pledges are not recorded as revenue. Donated materials and services which are normally purchased by the Foundation are not recorded in the financial statements.
- (ii) Investment income is recognized in the period earned. Realized and unrealized gains and losses are recognized in the period in which they occur.
- (iii) Rental income is recognized in the period earned.

Capital assets

Costs relating to the acquisition of land, buildings, furniture and equipment and related major improvements and other capital assets are recorded in the financial statements at cost. Land and buildings contributed by Child Development Institute were recorded at book value at the date of contribution. Buildings are amortized over their estimated economic useful life of 40 years on the declining balance basis.

2. Significant accounting policies (continued)

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Specifically, significant assumptions have been made in arriving at the estimated useful life of buildings. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

3. Financial instruments and related financial risks

The Foundation's financial instruments include cash, short-term investments and accounts payable and accrued liabilities. Financial instruments are initially recorded at fair value and subsequently measured at amortized cost, net of any provisions for impairment.

The following are those financial instruments considered particularly significant and their related financial risks:

- (i) Fluctuations in market interest rates do not result in significant interest rate risks affecting future cash flows from fixed rate guaranteed investment certificates.
- (ii) The fair value of future cash flows of a financial instrument such as managed funds will fluctuate because of changes in market prices, other than those arising from interest rate risk. This risk, which can be caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in the market, is mitigated by having independent professional investment advisers manage the investment funds.
- (iii) The Foundation expects to meet its financial obligations for accounts payable and accrued liabilities through cash flows from operations.

4. Inter-organization and inter-fund amounts

The Foundation is controlled by Child Development Institute in that Child Development Institute is the sole member with voting rights to elect the Board of Directors of the Foundation.

All transactions between the Foundation and Child Development Institute occurred in the normal course of operations. The Foundation provides Child Development Institute with office and clinical space at the 197 Euclid Avenue location in Toronto. Child Development Institute provides the Foundation with personnel for administration and development activities. As the value of these services is not reasonably determinable, they have not been recorded in these financial statements.

The Foundation charged Child Development Institute rent of \$98,040 for use of the Parkdale and Annex childcare facilities for the year ended March 31, 2018 (\$96,120 for the year ended March 31, 2017). Rent charged is based on amounts negotiated with Child Development Institute.

During the year the Foundation donated \$241,334 to Child Development Institute (\$898,190 in the year ended March 31, 2017).

The inter-fund amounts payable and receivable are non-interest bearing, unsecured and payable based on the availability of funds.

5. Short-term investments

Short-term investments at March 31 were as follows:

	2018	2017
	\$	\$
Guaranteed investment certificates	543,333	447,345
Managed funds	5,367,081	5,163,595
	5,910,414	5,610,940

The guaranteed investment certificates were with a major Canadian chartered bank with interest rates between 0.90% and 1.78%, and maturing between July 2018 to March 2020 (2017 – interest rates between 0.90% and 1.25% and maturing between June 2017 and March 2020).

Managed funds comprise balanced mutual funds administered by an independent investment management fund manager.

6. Capital assets

Capital assets at March 31 are as follows:

	2018		2017
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	352,632	—	352,632
Buildings	5,117,981	(2,420,219)	2,766,933
	5,470,613	(2,420,219)	3,119,565

7. Line of credit

The Foundation has a bank line of credit of \$375,000 bearing interest at prime plus 1.05%, none of which had been drawn as at March 31, 2018 and 2017.

8. Wimodausis children's endowment fund

Capital donated to the Wimodausis Children's Endowment Fund is not available for use by the Foundation. Investment income (loss) earned on the capital is allocated directly to the endowment fund. Interest income earned in a year is transferred to the Camp Wimodausis Fund in the following year. During the year, an inter-fund transfer of \$14,254 was made from the Wimodausis Children's Endowment Fund to the Camp Wimodausis Restricted Fund (\$21,038 in 2017).

9. Board Funds

Amounts have been designated by the Board of Directors of the Foundation to be used for funding special programs or for purposes as directed by the Board of Directors of the Foundation and to meet the basic operating requirements of the Child Development Institute.

Child Development Institute Foundation

Notes to the financial statements

March 31, 2018

10. Restricted Funds

Funds donated have been restricted for specific uses by donors as follows:

CDI Research Fund – in accordance with donor intent and stipulations, funds are to be used exclusively in the delivery of research programs of the Centre for Children Committing Offences (now called SNAP) operated out of the St. Clair Gardens facility of the Child Development Institute.

Family Violence Fund – In accordance with donor intent and stipulations, funds are to be directed to family violence services.

SNAP Campaign – In accordance with donor intent and stipulations, funds are to be used exclusively to fund Stop Now And Plan, an evidence-based cognitive-behavioural model that teaches behaviourally troubled children and their parents how to manage their emotions and behaviour by getting them to stop, think, and plan positive alternatives before acting impulsively.

Integra funds

- (1) Camp Towhee Fund – In accordance with donor intent and stipulations, funds are to support capital improvements, camp projects and other special needs as required.
- (2) Integra Foundation Legacy Funds – In accordance with donor intent and stipulations, funds are to be used for the operation and enhancement of the programs, services and research of the Integra Programs of the Child Development Institute, primarily for children and youth with mental health issues and learning disabilities, including specifically the reimbursement of expenses incurred in the operation of Camp Towhee.

Capital fund

Land, buildings, major building improvements and related liabilities used in operations by Child Development Institute are recorded in the capital fund.

Other

- (1) Camp Wimodausis Fund – In accordance with donor intent and stipulations, funds are to be used exclusively to fund Camp Wimodausis operated out of the St. Clair Gardens facility of Child Development Institute.
- (2) Caring Award Fund – In accordance with donor intent and stipulations, funds are to be used for staff acknowledgment by their peers.
- (3) SNAP Girls Funds – In accordance with donor intent and stipulations, funds are to be used exclusively in delivery of SNAP Girls program operated out of the St. Clair Gardens facility of Child Development Institute.
- (4) Dr. Aurlick Fund – In accordance with donor intent to award a single mother in one of our programs for a holiday experience.

Child Development Institute Foundation
Notes to the financial statements
 March 31, 2018

10. Restricted Funds (continued)

Other (continued)

Activity in the Restricted Funds for the year was as follows:

							2018	2017
	CDI research fund	Family violence	SNAP campaign	Integra funds	Capital funds	SNAP Girls, Camp Wimodausis and other	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Restricted Funds, beginning of year	1,315,530	484,683	913,539	651,317	3,119,565	17,835	6,502,469	6,231,288
Donations received from others	—	14,045	201,042	119,204	—	84,284	418,575	851,240
Investment income	49,089	12,799	48,496	14,082	—	—	124,466	405,558
Less donations to CDI and program								
Disbursements	—	(15,435)	(1)	—	(69,171)	(25,527)	(110,134)	(903,655)
Other donations	—	—	—	—	—	(2,500)	(2,500)	(3,000)
Excess of revenue over expenses	49,089	11,409	249,537	133,286	(69,171)	56,257	430,407	350,143
Transfer from endowment fund (Note 8)	—	—	—	—	—	14,254	14,254	21,038
Restricted funds, end of year	1,364,619	496,092	1,163,076	784,603	3,050,394	88,346	6,947,130	6,602,469

Child Development Institute Foundation

Notes to the financial statements

March 31, 2018

11. Prior period adjustment

During 2017, a donation in the amount of \$100,000 relating to Child Development Institute was received, and recorded, by the Foundation. The correction has been effected during this year, with the following balances impacted:

	As previously reported	As restated
	\$	\$
Donations and fundraising revenue – 2017	933,647	833,647
Opening fund balance – 2018	9,160,718	9,060,718
Due from Child Development Institute – 2017	116,011	16,011