
Financial statements of Child Development Institute Foundation

March 31, 2020

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Independent Auditor's Report

To the Members of
Child Development Institute Foundation

Opinion

We have audited the financial statements of Child Development Institute Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in net assets and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 21, 2020

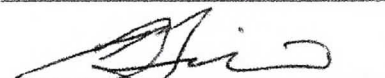
Child Development Institute Foundation
Statement of financial position
As at March 31, 2020

		Restricted funds	Board funds	Endowment fund	2020 Total	2019 Total
	Notes	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash		—	634,934	—	634,934	116,775
Short-term investments	5	3,951,012	1,791,870	392,263	6,135,145	6,636,209
Sales tax recoverable		—	816	—	816	433
Inter-fund amounts	4	(8,173)	8,173	—	—	—
Due from Child Development Institute	4	—	—	—	—	191,521
		3,942,839	2,435,793	392,263	6,770,895	6,944,938
Capital assets						
	6	2,917,192	—	—	2,917,192	2,982,950
		6,860,031	2,435,793	392,263	9,688,087	9,927,888
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities		—	6,800	—	6,800	6,435
Due to Child Development Institute		—	59,990	—	59,990	—
		—	66,790	—	66,790	6,944,938
Net assets						
Wimodausis Children's Endowment Fund	7	—	—	392,263	392,263	457,911
Camp Wimodausis Fund	9	—	—	—	—	—
SNAP Girls Fund	9	179,920	—	—	179,920	98,779
CDI Research Fund	9	1,046,497	—	—	1,046,497	1,316,868
Family Violence Fund	9	632,476	—	—	632,476	568,832
SNAP Campaign	9	995,585	—	—	995,585	1,316,745
Integra funds	9	1,076,235	—	—	1,076,235	905,933
Capital fund	9	2,917,192	—	—	2,917,192	2,982,950
Other funds	9	12,126	—	—	12,126	12,838
Board fund	8	—	2,369,003	—	2,369,003	2,260,597
		6,860,031	2,369,003	392,263	9,621,297	9,921,453
		6,860,031	2,435,793	392,263	9,688,087	9,927,888

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, 2020

	Notes	Restricted funds \$	Board funds \$	Endowment fund \$	2020 Total \$	2019 Total \$
Revenue						
Donations and fundraising		484,765	124,381	—	609,146	532,507
Investment (loss) income	5	(242,038)	(95,140)	(35,054)	(372,232)	229,921
Rental income	4	—	104,988	—	104,988	99,996
		242,727	134,229	(35,054)	341,902	862,424
Expenses						
Donation to Child Development Institute	4	548,977	5,627	—	554,604	313,977
Administration		—	18,232	—	18,232	22,753
Consultant fees		—	—	—	—	—
Fundraising		—	1,964	—	1,964	1,000
Caring award		1,500	—	—	1,500	2,500
Amortization		65,758	—	—	65,758	67,444
		616,235	25,823	—	642,058	407,674
Excess of (expenses over revenue) revenue over expenses for the year		(373,508)	108,406	(35,054)	(300,156)	454,750
Net assets, beginning of year		7,202,945	2,260,597	457,911	9,921,453	9,466,703
Inter-fund transfer during year	7	30,594	—	(30,594)	—	—
Net assets, end of year		6,860,031	2,369,003	392,263	9,621,297	9,921,453

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

Child Development Institute Foundation**Statement of cash flows**

Year ended March 31, 2020

	2020	2019
	\$	\$
Operating activities		
Excess of (expenses over revenue)		
revenue over expenses for the year	(300,156)	454,750
Adjustments for items not involving cash		
Add net unrealized losses on investments	669,707	131,944
Add amortization	65,758	67,444
Net change in non-cash working capital items		
(see below)	251,493	(48)
	686,802	654,090
Investing activities		
Net purchase of managed funds	(273,282)	(356,041)
Net sale (purchase) of guaranteed investment certificates	104,639	(501,698)
	(168,643)	(857,739)
Net increase (decrease) in cash for the year	518,159	(203,649)
Cash, beginning of year	116,775	320,424
Cash, end of year	634,934	116,775
Net change in non-cash working capital items		
Sales tax recoverable	(383)	2,585
Due to/from Child Development Institute	251,511	(3,568)
Accounts payable and accrued liabilities	365	935
	251,493	(48)

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

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 9).

Board funds

Donations with restrictions imposed by the Board of Directors of the Foundation are included in the Board Funds (see Note 8).

Endowment fund

Donations of which the capital is not available to be spent by the Foundation are classified as endowments (see Note 7).

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)

Financial instruments

The Foundation initially recognizes financial instruments at fair value and subsequently measures them at each reporting date, as follows:

Asset/liability	Measurement
Cash	Fair value
Short-term investments	Fair value
Sales tax recoverable	Amortized cost
Other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to/from Child Development Institute	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists the asset shall be written down and the resulting impairment loss shall be recognized in the statement of operations for the period.

Transaction costs in respect of financial assets recorded at fair value are expensed as incurred.

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. Risk management

Risks arising from financial instruments

Credit risk

The Foundation has cash in a major financial institution in excess of the amount insured by agencies of the federal government.

Interest rate risk

The Foundation manages its investments based on its cash flow needs and with a view to optimizing its interest income.

The Foundation is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and current liabilities.

Market risk

Market risk arises from the possibility that changes in equity prices will affect the value of investments held by the Foundation. The Foundation endeavors to mitigate this risk by adopting an investment policy which provides appropriate portfolio diversification.

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 \$104,988 for use of the Parkdale and Annex childcare facilities for the year ended March 31, 2020 (\$99,996 for the year ended March 31, 2019). Rent charged is based on amounts negotiated with Child Development Institute.

During the year the Foundation donated \$554,604 to Child Development Institute (\$313,977 in the year ended March 31, 2019).

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 is made up as follows:

	2020	2019
	\$	\$
Guaranteed investment certificates	940,392	1,045,031
Managed funds	5,194,753	5,591,178
	6,135,145	6,636,209

The guaranteed investment certificates were with a major Canadian chartered bank with interest rates between 1.09% and 1.97%, and maturing in September 2020 (interest rates between 1.75% and 2.15% in 2019 and maturing between September 2019 and March 2020).

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

During the year ended March 31, 2020, the Foundation earned \$24,193 (\$5,824 in 2019) of interest on the guaranteed investment certificates, this has been included in investment (loss) income on the statement of operations.

6. Capital assets

Capital assets at March 31 are as follows:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
	\$	\$	\$	\$
Land	352,632	—	352,632	352,632
Buildings	5,117,981	(2,553,421)	2,564,560	2,630,318
	5,470,613	(2,553,421)	2,917,192	2,982,950

7. 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 \$30,594 was made from the Wimodausis Children's Endowment Fund to the Camp Wimodausis Restricted Fund (\$27,355 in 2019).

8. 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.

9. 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.

9. Restricted funds (continued)

Other (continued)

- (3) SNAP Girls Funds – In accordance with donor intent and stipulations, funds are to be used exclusively in the 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, 2020

9. Restricted funds (continued)

Other (continued)

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

	CDI research	Family Violence	SNAP Campaign	Integra	Capital	SNAP Girls, Cam Wimodausis and other	2020 Total	2019 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Restricted funds, beginning of year	1,316,868	568,832	1,316,745	905,933	2,982,950	111,617	7,202,945	6,947,130
Donations received from others	—	86,905	93,300	219,639	—	84,921	484,765	416,492
Investment income	(99,870)	(22,159)	(71,460)	(49,337)	—	788	(242,038)	142,333
Less donations to CDI and program								
Disbursements	(170,501)	(1,102)	(343,000)	—	(65,758)	(34,374)	(614,735)	(326,865)
Other donations	—	—	—	—	—	(1,500)	(1,500)	(3,500)
Excess of (expenses over revenue)								
Revenue over expenses	(270,371)	63,644	(321,160)	170,302	(65,758)	49,835	(373,508)	228,460
Transfer from endowment fund (Note 7)	—	—	—	—	—	30,594	30,594	27,355
Restricted funds, end of year	1,046,497	632,476	995,585	1,076,235	2,917,192	192,046	6,860,031	7,202,945

10. Significant event

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Foundation in future periods.