
Financial statements of
Bureau International des Droits des
Enfants / International Bureau for
Children's Rights

March 31, 2021

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Independent Auditor's Report

To the members of
Bureau International des Droits des Enfants /
International Bureau for Children's Rights

Opinion

We have audited the financial statements of Bureau International des Droits des Enfants / International Bureau for Children's Rights (the "IBCR"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and 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 IBCR 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.

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 IBCR 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 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 IBCR'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 IBCR or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the IBCR'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 IBCR'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 IBCR'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 IBCR 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*¹

July 6, 2021

¹ CPA auditor, CA, public accountancy permit No. A120628

**Bureau International des Droits des Enfants /
International Bureau for Children's Rights**
Statement of operations
Year ended March 31, 2021

	Notes	2021	2020
		\$	\$
Revenue			
Grants and contributions			
Government of Canada			
Global Affairs Canada		3,170,586	4,131,904
Royal Canadian Mounted Police		38,934	61,689
Government of Québec			
Minister of Justice of Québec		100,771	—
Ministère des Relations internationales et de la Francophonie		5,000	—
Emploi-Québec		18,685	5,750
International organizations		347,505	667,192
Montréal International		—	29,143
Fundraising and other revenue			
Donations		103,632	138,320
Contributed services in kind	7	450,860	613,169
Interest and other income		6,501	15,367
		4,242,474	5,662,534
Expenses			
Children and justice		2,007,091	3,073,959
Exploitation and violence against children		1,220,708	1,099,222
Children and emergency situations		539,465	673,916
Project development, networking and communications		106,598	114,811
General expenses		423,148	742,755
		4,297,010	5,704,663
Deficiency of revenue over expenses before other expenses and other revenue		(54,536)	(42,129)
Other expenses			
Amortization of capital assets		21,939	18,211
Amortization of intangible assets		25,644	4,780
		47,583	22,991
Deficiency of revenue over expenses before other revenue		(102,119)	(65,120)
Other revenue			
Canada Emergency Wage Subsidy		214,512	—
Excess (deficiency) of revenue over expenses		112,393	(65,120)

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

**Bureau International des Droits des Enfants /
International Bureau for Children's Rights**
Statement of changes in net assets
Year ended March 31, 2021

	Invested in capital assets and intangible assets	Unrestricted	2021	2020
	\$	\$	\$	\$
Balance, beginning of year	67,764	1,010,815	1,078,579	1,143,699
Excess (deficiency) of revenue over expenses	(47,583)*	159,976	112,393	(65,120)
Acquisition of capital assets	9,915	(9,915)	—	—
Balance, end of year	30,096	1,160,876	1,190,972	1,078,579

* Amortization of capital assets and intangible assets.

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

Bureau International des Droits des Enfants /
International Bureau for Children's Rights
Statement of financial position
As at March 31, 2021

	Notes	2021	2020
		\$	\$
Assets			
Current assets			
Cash		1,905,203	1,995,667
Investments	3	75,478	75,007
Accounts receivable		350,456	268,328
Sales taxes receivable		78,330	59,451
Prepaid expenses		8,010	29,402
		2,417,477	2,427,855
Investments	3	65,516	64,551
Capital assets	4	23,854	35,878
Intangible assets	5	6,242	31,886
		2,513,089	2,560,170
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		56,572	45,424
Government remittances		428	6,270
Deferred revenue	6	1,265,117	1,429,897
		1,322,117	1,481,591
Contractual obligations	8		
Net assets			
Invested in capital assets and intangible assets		30,096	67,764
Unrestricted		1,160,876	1,010,815
		1,190,972	1,078,579
		2,513,089	2,560,170

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

On behalf of the Board

 _____, Director

_____, Director

Bureau International des Droits des Enfants /
International Bureau for Children's Rights
Statement of cash flows
Year ended March 31, 2021

	2021	2020
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses	112,393	(65,120)
Adjustments for:		
Reinvested revenue on investments	(1,436)	(1,107)
Amortization of capital assets	21,939	18,211
Amortization of intangible assets	25,644	4,780
	158,540	(43,236)
Changes in non-cash operating working capital items		
Accounts receivable	(82,128)	246,520
Sales taxes receivable	(18,879)	(23,180)
Prepaid expenses	21,392	100,093
Accounts payable and accrued liabilities	11,148	(168,324)
Government remittances	(5,842)	(9,769)
Deferred revenue	(164,780)	901,101
	(239,089)	1,046,441
	(80,549)	1,003,205
Investing activities		
Acquisition of capital assets	(9,915)	(22,866)
Net (decrease) increase in cash	(90,464)	980,339
Cash, beginning of year	1,995,667	1,015,328
Cash, end of year	1,905,203	1,995,667

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

1. Statutes of incorporation and nature of activities

Bureau International des Droits des Enfants / International Bureau for Children's Rights (the "IBCR") is incorporated under the *Canada Corporations Act* as a not-for-profit organization; it is a registered charity under the *Income Tax Act* (Canada).

The IBCR's mission is to contribute to the protection and promotion of children's rights. In pursuing its mission, the IBCR is guided by the principles enshrined in the *Convention on the Rights of the Child* and other international instruments. Its objectives are:

- to inform and raise public awareness about children's rights;
- to develop strategies to address violations of children's rights;
- to support international, regional and national initiatives to implement children's rights; and
- to facilitate cooperation within the international community.

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. These measures have included restrictions and travel bans, both to and from Canada, bans on assembly and confinement measures. These restrictions have impacted IBCR activities including cancellation of in-person fundraising events, cancellation of volunteer trips, cancellation of in-person overseas activities, closure office space and the adoption of remote work by staff. The IBCR was able to maintain its programs by adjusting its missions considering COVID-19. These timely changes were possible by bilateral amendments of funding, deferral of activities and investing in remote strategy. However, the duration and impact of COVID-19 are still 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 IBCR in future periods.

Management believes that the IBCR has sufficient resources to operate and function for the next fiscal year.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The IBCR follows the deferral method of accounting for grants, contributions and donations. Restricted grants, contributions and donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants, contributions and donations are recognized as revenue when they are received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured.

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the IBCR becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

With respect to financial assets measured at amortized cost, the IBCR recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

Capital assets and intangible assets

Capital assets and intangible assets are accounted at cost and are amortized over their useful life using the straight-line method over the following terms:

Furniture and equipment	3 years
Leasehold improvements	Term of lease
Documentation center	5 years
Computer equipment	3 years
Software	5 years

Write-downs of capital assets and intangible assets

When conditions indicate that a capital asset or an intangible asset is impaired, its net carrying amount shall be written down to its fair value or replacement cost. The write-downs of capital assets and intangible assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

Contributed services in kind

Hours worked by volunteers are valued at the going rate for similar workers in similar organizations. Contributed services by volunteer cooperants represent the value of services rendered by participants to volunteer cooperation programs. The contribution for services is calculated at a predetermined rate according to the agreement signed with Global Affairs Canada. The amount specified in the agreement amounts to \$200 per day, per person. The other services contributed by commercial donors are recorded at fair value.

2. Accounting policies (continued)

Allocation of expenses

The IBCR records a number of its expenses by project⁽¹⁾ and these expenses are allocated on the following basis:

- Personnel costs: prorated to the number of hours worked for each project;
- Costs of contractual services: prorated to the number of hours worked/services rendered for each project;
- Costs of rent: prorated to the costs of each project before allocation;
- Office expenses: prorated to the costs of each project before allocation;
- Costs of communications: prorated to the costs of each project before allocation; and
- Costs of insurance: prorated to the costs of each project before allocation.

⁽¹⁾ Except for the following projects, which have their own operating expenses:
DFATD – Democratic Republic of Congo, DFATD – Burkina Faso, DFATD – Senegal and DFATD – Honduras.

Foreign currency transactions

Monetary assets and liabilities are translated into Canadian dollars at the exchange rate in effect at year-end. Transactions arising from foreign currency transactions are translated into Canadian dollars by using the exchange rate in effect at the transaction date. Exchange gains or losses are included in the statement of operations.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Since the preparation of the financial information requires the use of estimates, actual results could differ from those presented.

3. Investments

	2021	2020
	\$	\$
Guaranteed investment certificates, 0.55% to 0.70% (1.50% to 2.00% in 2020), maturing until May 2023 (until May 2021 in 2020)	140,994	139,558
Current portion	75,478	75,007
	65,516	64,551

4. Capital assets

	2021			2020
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and equipment	24,866	22,895	1,971	3,222
Leasehold improvements	49,703	49,703	—	—
Documentation center	31,401	31,401	—	—
Computer equipment	159,433	137,550	21,883	32,656
	265,403	241,549	23,854	35,878

5. Intangible assets

	2021			2020
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Software	37,451	31,209	6,242	31,886

6. Deferred revenue

Deferred revenue represents unused resources which, as a result of external restrictions, are intended to cover the operating expenses for the coming year for specific projects:

	2021	2020
	\$	\$
Balance, beginning of year	1,429,897	528,796
Amount received	3,516,701	5,796,778
Amount recognized as revenue during the year	(3,681,481)	(4,895,677)
Balance, end of year	1,265,117	1,429,897

7. Contributed services in kind

	2021	2020
	\$	\$
By type of revenue		
Salaries and services rendered by volunteers ⁽¹⁾	450,860	613,169
By project		
Children and justice ⁽¹⁾	195,094	386,594
Exploitation and violence against children ⁽¹⁾	153,762	179,356
Children and emergency situations ⁽¹⁾	93,179	47,219
	442,035	613,169
Project development, networking and communications	8,825	—
	450,860	613,169

⁽¹⁾ Including \$196,610 (\$133,900 in 2020) for volunteer cooperants.

8. Contractual obligations

The IBCR leases premises in Canada under a lease expiring in May 2025. Future minimum lease payments total \$239,067 and include the following payments over the next years:

	\$
2022	55,564
2023	56,676
2024	57,807
2025	59,160
2026	9,860

9. Financial instruments

Because of its financial assets and financial liabilities, the IBCR is exposed to the following risks related to the use of financial instruments:

Interest rate risk

The investments in guaranteed investment certificates bear interest at fixed rates. Consequently, a change in market interest rates would have an impact on the fair value of these investments.

9. Financial instruments (continued)

Currency risk

The statement of financial position includes the following amounts expressed in Canadian dollars with respect to financial assets and financial liabilities for which the cash flows are denominated in the following currencies:

	2021	2020
	\$	\$
U.S. dollars		
Cash	—	106,528
Accounts payable and accrued liabilities	—	4,839
Costa Rican colons		
Cash	1,007	1,007
Lempira (Honduras)		
Accounts payable and accrued liabilities	—	495
West African CFA francs (Burkina Faso)		
Cash	74,259	85,713
Accounts payable and accrued liabilities	11,321	—

Liquidity risk

The IBCR's objective is to have sufficient liquidity to meet its liabilities when due. The IBCR monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2021, the most significant financial liabilities are accounts payable and accrued liabilities.

10. Allocation of expenses by project

Personnel costs of \$1,982,669 (\$1,801,983 in 2020) were allocated as follows:

	2021	2020
	\$	\$
Children and justice	863,615	815,990
Exploitation and violence against children	510,256	409,106
Children and emergency situations	282,795	144,992
Project development, networking and communications	64,546	115,092
General expenses	261,457	316,803
	1,982,669	1,801,983

10. Allocation of expenses by project (continued)

Costs of rent of \$40,558 (\$34,844 in 2020), office expenses of \$147,047 (\$271,763 in 2020), costs of communications of \$8,728 (\$9,562 in 2020), and costs of insurance of \$16,373 (\$7,155 in 2020), were allocated as follows:

	2021	2020
	\$	\$
Children and justice	58,003	26,627
Exploitation and violence against children	58,179	40,912
Children and emergency situations	36,232	68,127
Project development, networking and communications	12,545	20,183
General expenses	47,747	167,475
	212,706	323,324

11. Comparative figures

Certain comparative figures have been reclassified to make their presentation identical to that adopted in 2021.