

Financial Statements of

**THE CHILDREN'S AID SOCIETY
OF THE UNITED COUNTIES OF
STORMONT, DUNDAS AND
GLENGARRY**

Year ended March 31, 2021

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

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Year ended March 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Children's Aid Society of the United Counties of Stormont, Dundas and Glengarry

Opinion

We have audited the financial statements of The Children's Aid Society of the United Counties of Stormont, Dundas and Glengarry ("the Entity"), which 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 notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its results of operations, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 public sector accounting standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 9, 2021

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	Operating Fund	Program Funds	Trusts	2021 Total	2020 Total
	(Schedule A)				
Assets					
Current assets:					
Cash	\$ 822,611	\$ –	\$ –	\$ 822,611	\$ 236,301
Restricted cash (notes 6 and 7)	94,878	777	856,832	952,487	832,469
Accounts receivable (note 2)	562,183	–	–	562,183	582,951
Prepaid expenses	159,552	–	–	159,552	219,762
	1,639,224	777	856,832	2,496,833	1,871,483
Capital assets (note 3)	3,312,891	–	–	3,312,891	3,183,310
	\$ 4,952,115	\$ 777	\$ 856,832	\$ 5,809,724	\$ 5,054,793
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities (note 4)	\$ 2,288,033	\$ –	\$ –	\$ 2,288,033	\$ 1,708,869
Agency obligations (note 7(a) and 7(b))	94,878	–	455,464	550,342	458,428
Agency funds held in trust (note 7(c))	–	–	85,505	85,505	49,113
Deferred revenue (note 6)	–	–	315,863	315,863	324,928
	2,382,911	–	856,832	3,239,743	2,541,338
Deferred contributions (note 9)	1,560,220			1,560,220	1,466,401
Fund balances:					
Invested in capital assets (note 8)	1,752,671	–	–	1,752,671	1,716,909
Internally restricted	–	777	–	777	46,455
Unrestricted deficiency	(743,687)	–	–	(743,687)	(716,310)
	1,008,984	777	–	1,009,761	1,047,054
Economic dependence (note 10)					
Contingent liability (note 13)					
	\$ 4,952,115	\$ 777	\$ 856,832	\$ 5,809,724	\$ 5,054,793

See accompanying notes to financial statements.

Approved by the Board:

Stéphane J.F. Bissonnette

Director

Ian Murphy

Director

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2021, with comparative information for 2020

	Operating Fund	General Fund	Program Funds	2021 Total	2020 Total
			(Schedule B)		
Revenue:					
Operating grants	\$ 19,979,873	\$ —	\$ 366,983	\$ 20,346,856	\$ 20,498,607
Child welfare recoveries	320,604	—	—	320,604	339,014
Interest income	11,859	—	—	11,859	23,859
Amortization of deferred contributions	77,682	—	—	77,682	82,174
Other income	469,919	—	—	469,919	933,554
	20,859,937	—	366,983	21,226,920	21,877,208
Expenses (Schedule B and C)	20,204,199	—	257,060	20,461,259	21,695,673
Excess (deficiency) of revenue over expenses from current year operations	655,738	—	109,923	765,661	181,535
MCCSS recovery (current year)	(655,738)	—	(109,147)	(764,885)	(213,680)
MCCSS recovery (prior year)	—	—	(38,069)	(38,069)	—
Deficiency of revenue over expenses	—	—	(37,293)	(37,293)	(32,145)
Fund balances, beginning of year	1,008,984	—	38,070	1,047,054	1,079,199
Fund balances, end of year	\$ 1,008,984	\$ —	\$ 777	\$ 1,009,761	\$ 1,047,054

See accompanying notes to financial statements.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses from current year operations	\$ (37,293)	\$ (32,145)
Items not involving cash:		
Amortization of deferred contributions	(77,682)	(82,173)
Amortization of capital assets	167,322	143,816
Changes in non-cash operating working capital:		
Accounts receivable	20,768	(168,947)
Prepaid expenses	60,210	(10,097)
Accounts payable and accrued liabilities	579,164	(373,003)
Agency obligations	91,914	(46,697)
Agency funds held in trust	36,392	67,194
Deferred revenue	(9,065)	4,569
	831,730	(497,483)
Capital activities:		
Purchase of capital assets	(296,903)	-
Increase in deferred contributions	171,501	-
	(125,402)	-
Increase (decrease) in cash	706,328	(497,483)
Cash, beginning of year	1,068,770	1,566,253
Cash, end of year	\$ 1,775,098	\$ 1,068,770
Cash comprised of:		
Cash	\$ 822,611	\$ 236,301
Restricted cash	952,487	832,469
	\$ 1,775,098	\$ 1,068,770

See accompanying notes to financial statements.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements

Year ended March 31, 2021

The Children's Aid Society of the United Counties of Stormont, Dundas and Glengarry ("the Society") is incorporated without share capital under the laws of Ontario and its operations are governed by the Child and Family Services Act (R.S.O. 2006). The Society is a registered charity under the Income Tax Act and as such, is exempt from income tax.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. A statement of re-measurement gains and losses has not been included as there are no matters to report therein.

(a) Fund accounting:

The Society follows the restricted fund method of accounting for contributions.

The financial statements separately disclose the activities of the following funds maintained by the Society:

The Operating Fund reflects the activities associated with the Society's mandate under the Child and Family Services Act (R.S.O. 2006).

The General Fund reflects the activities relating to the Society's land, building and equipment financed by sources other than operating grant revenue. It also reflects the Society's revenue and expenses from volunteer activities. The Board of Directors approves the transfers of the excess of revenue over expenses of these funds.

The Ministry of Children, Community and Social Services Funds, designated in these financial statements under the heading Program Funds, reflect activities relating to the Society's ACL Group Living Supports program, C & FI Independence Preparation program and Partner Facility Renewal program financed by sources other than operating grant revenue. These funds are restricted for specific uses and must be reported individually.

(b) Ministry of Children, Community and Social Services Funding:

The total funding to the Society is not finalized until the Ministry of Children, Community and Social Services (MCCSS) has reviewed the financial returns for the year. Any adjustments to the funding which may result from negotiations with the MCCSS are reflected in the accounts when negotiations have been concluded. The adjustments are reported on the statement of operations and changes in fund balances as prior year settlements.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value.

Amortization is provided using the following methods and annual rates:

	Basis	Rate
Buildings and shed	Declining balance	4%
Furniture, fixtures and equipment	Declining balance	20% and 30%
Computer equipment	Declining balance	30%
Computer software	Straight-line	25%

(d) Revenue recognition:

Grant revenue, which is 100% provincially funded, is recognized on the basis of the lower of:

- (i) actual expenses eligible for operating grant; and
- (ii) approval of fiscal allocation by the area office of the Ministry of Children, Community and Social Services, Province of Ontario.

The Society follows the deferral method of accounting for contributions, which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions, such as trust funds, are recognized as revenue in the year in which related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a declining basis, at a rate corresponding with the amortization rate for the related capital assets.

(e) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to subsequently carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction cost incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Employee future benefits:

The Society makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Society has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

(h) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

2. Accounts receivable:

	2021	2020
Due from other Societies	\$ 194,091	\$ –
HST rebates recoverable	204,751	96,163
General	163,341	486,788
	<u>\$ 562,183</u>	<u>\$ 582,951</u>

3. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Shed	\$ 147,787	\$ 49,534	\$ 98,253	\$ 102,347
Land	225,000	–	225,000	225,000
Buildings	5,065,263	2,113,759	2,951,504	2,771,378
Generator	315,695	277,561	38,134	47,668
Tractor	27,752	27,752	–	1,480
Furniture, fixtures and equipment	383,424	383,424	–	20,412
Computer equipment	522,756	522,756	–	15,025
Computer software	154,790	154,790	–	–
	<u>\$ 6,842,467</u>	<u>\$ 3,529,576</u>	<u>\$ 3,312,891</u>	<u>\$ 3,183,310</u>

Cost and accumulated amortization at March 31, 2020 amounted to \$6,545,564 and \$3,362,254, respectively.

Amortization for the year amounted to \$167,322 (2020 - \$143,816).

4. Accounts payable and accrued liabilities:

	2021	2020
Trade payables and accrued liabilities	\$ 1,853,540	\$ 1,692,608
Province of Ontario	427,093	–
Government remittances payable	7,400	16,261
	<u>\$ 2,288,033</u>	<u>\$ 1,708,869</u>

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

5. Bank credit facility:

The bank loans are secured by a general security agreement and specific charge on equipment, land and buildings. The interest rate on the operating line of credit is prime less 0.25%. The authorized limit of the line of credit is \$1,250,000. The line of credit was undrawn as at March 31, 2021 (2020 - \$Nil).

6. Deferred revenue:

This reserve consists of donations and other receipts received by the Society from individuals and other organizations for special activities. The receipts and disbursements in this account are summarized as follows:

	2021	2020
Balance, beginning of year	\$ 324,928	\$ 320,359
Revenue:		
Donations	23,486	156,623
Interest earned	847	3,827
	24,333	160,450
Expenses - special activities	33,398	155,881
Excess of revenue over expenses (expenses over revenue)	(9,065)	4,569
Balance, end of year	\$ 315,863	\$ 324,928

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. Agency obligations:

- (a) The Society acts as an agent, which holds resources and makes disbursements on behalf of various unrelated individuals or groups. The Society has no discretion over such agency transactions.

Resources received in connection with such agency transactions are reported as liabilities not revenue and subsequent distributions are reported as decreases to this liability.

At March 31, these obligations consisted of:

	2021	2020
Registered educational savings program (RESP):		
Balance, beginning of year	\$ 116,574	\$ 25,641
Universal childcare benefit funds received	76,395	113,731
Transfer to individual RESP account	(12,113)	(23,350)
Bank fees	–	552
Balance, end of year	180,856	116,574
Ontario child tax benefit equivalent (OCBE):		
Balance, beginning of year	287,383	397,594
Grants received	43,256	65,364
Disbursements	(56,031)	175,575)
Balance, end of year	274,608	287,383
	\$ 455,464	\$ 403,957
Agency obligations	\$ 455,464	\$ 403,957

Once accounts are open, RESP's are removed from the Society's "Statement of Financial Position" and are no longer reflected in the Society's assets and liabilities. The value of individual RESP's accounts opened is as follows and does not include associated grant and bonds:

	2021	2020
Total contributions in open RESP's held with Royal Bank, end of year	\$ 332,403	\$ 282,829

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. Agency obligations (continued):

- (b) The Society holds resources and makes disbursements at its discretion for the registered disability savings program. The Society also establishes a separate ledger account to hold and pool all OCBE activity fund payments as per the ministry policy directive.

Resources received in connection with such agency transactions are reported as liabilities, not revenue, and subsequent distributions are reported as decreases to this liability.

As per ministry Policy Directive; CW 001-14, the OCBE activities fund is to provide all children and youth in care and in formal Customary Care, ages 0 to 17 with access to recreational, educational, cultural and social opportunities that support their achievement of higher educational outcomes, a higher degree of resiliency, social skills and relationship development, and a smoother transition to adulthood (Activities Program).

Each CAS shall establish a separate general ledger account to hold and pool all OCBE payments.

The Society sets aside amounts received on behalf of the youth for the Child Disability Benefit from Revenue Canada. These funds are then set up into a Registered Disability Savings Plan.

At March 31, these obligations consisted of:

	2021	2020
Registered disability savings program (RDSP):		
Balance, beginning of year	\$ 27,173	\$ 4,157
Universal childcare benefit funds received	22,962	30,558
Contributions made to individual RDSP accounts	–	(7,542)
Balance, end of year	\$ 50,135	\$ 27,173
Ontario child tax benefit equivalent (OCBE):		
Balance, beginning of year	\$ 27,298	\$ 23,262
Grants received	48,918	63,319
Disbursement in year	(31,473)	(59,283)
Balance, end of year	\$ 44,743	\$ 27,298
	\$ 94,878	\$ 54,471

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. Agency obligations (continued):

(c) Agency funds held in trust:

The Society acts as a host agency, which receives funds in trust and makes disbursements on behalf of the following programs.

Wendy's Wonderful Kids is a dynamic evidence-based program that funds child-focused adoption recruiters at local agencies to move children from foster care into permanent, adoptive homes. The grant received from the Dave Thomas Foundation for Adoption will host 3 full-time Wendy's Wonderful Kids recruiters throughout the Eastern Zone at CAS of Stormont, Dundas and Glengarry to serve children waiting for an adoptive home.

The Roger Giroux, gifted by the estate, is to assist youth who were adopted through CAS of SDG who are pursuing post-secondary education.

The Crown Ward Education Championship Teams (CWECT) in partnerships with children's aid societies, school boards, colleges, universities, and employment services, helps Crown wards complete high school and pursue postsecondary education, training and employment. CWECT's are expected to work towards the strategic goal of enabling better education, training and employment opportunities for all youth with Crown wardship status through funds provided by the Ministry of Colleges and Universities. The program recently changed its name to Ontario Education Championship Team (OECT).

Each of these programs represent provincial and federal activities that are not specific to this Society or its municipal boundaries. The Society has no recourse to the funds or obligation to settle any debts incurred by these programs. As a result, program revenue and expenses are not reported on the "Statement of Operations" of the Society. Net unspent (unfunded) funds at year end are reported as assets or liabilities on the "Statement of Financial Position".

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. Agency obligations (continued):

(c) Agency funds held in trust (continued):

	2020	2019
Wendy's Wonderful Kids		
Funds held in trust as cash, beginning of year	\$ 36,265	\$ 7,464
Funds received during the year	–	127,500
Funds disbursed during the year	(36,265)	(98,699)
Balance at end of year	–	36,265
Roger Giroux trust		
Funds held in trust as cash, beginning of year	–	–
Funds received during the year	40,000	–
Funds disbursed during the year	–	–
Balance at end of year	40,000	–
CWECT		
Funds held in trust as cash, beginning of year	12,848	28,926
Funds received during the year	62,151	64,676
Funds disbursed during the year	(29,494)	(80,754)
Balance at end of year	45,505	12,848
Funds held in trust as cash, end of year	\$ 85,505	\$ 49,113

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

8. Investment in capital assets:

Investment in capital assets is calculated as follows:

	2021	2020
Capital assets	\$ 3,312,891	\$ 3,183,310
Amounts financed by:		
Deferred contributions - capital	(1,560,220)	(1,466,401)
	\$ 1,752,671	\$ 1,716,909

Change in net assets invested in capital assets is calculated as follows:

	2021	2020
Amortization of capital assets	\$ (167,322)	\$ (143,816)
Amortization of deferred contributions	77,682	82,173
	(89,640)	(61,643)
Net change in investment in capital assets:		
Purchase of capital assets	296,903	-
Deferred contributions	(171,501)	-
	\$ 35,762	\$ (61,643)

9. Deferred contributions:

The balance of unamortized capital contributions, in the form of grants and donations, related to capital assets consists of the following:

	2021	2020
Balance, beginning of year	\$ 1,466,401	\$ 1,548,574
Add: additional contributions received	171,501	-
Less: amounts recognized as revenue	(77,682)	(82,173)
Balance, end of year	\$ 1,560,220	\$ 1,466,401

10. Economic dependence:

The Society is economically dependent on the Ministry of Children, Community and Social Services to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

11. Partner facility renewal fund:

Infrastructure funding supports directly-operated facilities and transfer payment agencies for the acquisition, construction, renovation and renewal of capital assets to support the effective delivery of ministry programs.

Amounts received and invested in capital assets are recorded as deferred contributions and the expenditures are set up as capitals assets. These amounts are then written down based on the approved amortization rates.

As at March 31, 2021, the balance in this fund amounts to \$Nil (2020 - \$Nil).

12. Pension plan:

The Society makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit pension plan which specifies the amount of the retirement benefit to be received by the employees, based on the length of service and rates of pay. The OMERS Board of Trustees representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to approximately 1,000 employers and 450,000 plan members.

Each year an independent actuary determines the funding status of the OMERS pension plan (the Plan) by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation reported an actuarial deficit of \$3.2 billion (2019 - \$3.4 billion actuarial deficit). Because OMERS is a multi- employer plan, any pension plan surpluses or deficits are a joint responsibility of employers and plan members participating in the Plan. The Society has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. As a result, the Society does not recognize any share of the OMERS pension deficit.

The amount contributed to OMERS by the Society was \$1,038,742 (2020 - \$1,167,454), for current service and is included as an employee benefits expense in the operating fund, on the "Statement of Operations and Changes in Fund Balances".

13. Contingent liability:

The nature of the Society's activities is such that there may be litigation pending or in prospect at any time. With the respect to claims at March 31, 2021, management believes that the Society has valid defenses and appropriate insurance coverage in place. In the event any claims are unsuccessful, management believes that such claims are not expected to have a material effect on the Society's financial position.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

14. Financial risk and concentration of risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2020.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in an allowance for doubtful accounts. The Society's allowance for doubtful accounts as at March 31, 2021 is \$Nil (2020 - \$Nil). There has been no change to the risk exposure from 2020.

15. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Society has undertaken the following activities in relation to the COVID-19 pandemic.

Measures implemented to ensure worker safety and minimize exposure to COVID-19 include:

- Increased support to ongoing cases, security of PPE, and reduced travel
- Experienced temporary declines in the number of investigations and assessments
- Closure of facilities to the public
- Mandatory working from home requirements for those able to do so
- Material purchases to manage COVID-19 related issues, backfilling for positions of people who are required to self-isolate or self-quarantine and increased staffing needs for residential services if required
- Purchase of equipment, cleaning or sanitizing supplies, and/or to meet the increased need for expanded mobile services, i.e. cell phones and cellular data plans to support virtual service delivery
- The use of hotels or other measures as temporary/alternate accommodation for clients if required to support isolation/social distancing
- The Society received one-time fiscal funding for COVID-19 mental health and addictions supports for children and youth in or transitioning from society and licensed residential care

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Notes to Financial Statements (continued)

Year ended March 31, 2021

15. Impact of COVID-19 (continued):

- The Society also received funds for Temporary Pandemic Pay. The temporary pandemic pay is aimed at those workers who are critically important to the province's response to the crisis, caring for the most vulnerable, and are at a heightened risk of exposure to COVID-19 because of their work on the frontline
- In addition, the Society also received confirmation from the Ministry that additional funding will be provided by the MCCSS on a one-time basis with respect to the youth leaving care. The purpose of this additional funding is to ensure that Societies maintain existing CCSY agreements with youth beyond their 21st birthday. The extent of the funding is yet to be determined.

The Agency continues to closely monitor the financial situation and to make adjustments to ensure the costs associated from the measures and the impact from COVID-19 can be covered in the operating budget.

16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Schedule A

Statement of Financial Position - Program Funds

March 31, 2021, with comparative information for 2020

	C & FI independence preparation	Education liaison	Mental health	Pandemic pay	2021 Total	2020 Total
Assets						
Current assets:						
Cash	\$ 6	\$ 4,999	\$ (4,199)	\$ (29)	\$ 777	\$ 38,070
Fund Balances						
Internally restricted	\$ 6	\$ 4,999	\$ (4,199)	\$ (29)	\$ 777	\$ 38,070

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Schedule B

Statement of Operations and Changes in Program Fund Balances

Year ended March 31, 2021, with comparative information for 2020

	C & FI independence preparation	Education liaison	Mental health	Pandemic pay	2021 Total	2020 Total
Revenue:						
Operating grants	\$ 107,761	\$ 92,823	\$ 50,000	\$ 116,399	\$ 366,983	\$ 173,929
Expenses:						
Building occupancy	3,768	–	–	–	3,768	3,768
Client's personal needs	–	87,824	54,199	–	142,023	28,099
Employee benefits	16,644	–	–	–	16,644	16,644
Office administration	7,568	–	–	–	7,568	7,572
Salaries	75,660	–	–	7,281	82,941	75,660
Travel	4,116	–	–	–	4,116	4,116
	107,756	87,823	54,199	7,281	257,060	135,859
Excess (deficiency) of revenue over expenses before the undernoted	5	4,999	(4,199)	109,118	109,923	38,070
Current year recovery	–	–	–	(109,147)	(109,147)	–
Prior year recovery	–	(38,069)	–	–	(38,069)	–
Excess (deficiency) of revenue over expenses before the undernoted	5	(33,070)	(4,199)	(29)	(37,293)	38,070
Fund balances, beginning of year	1	38,069	–	–	38,070	–
Fund balances, end of year	\$ 6	\$ 4,999	\$ (4,199)	\$ (29)	\$ 777	\$ 38,070

THE CHILDREN'S AID SOCIETY OF THE UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

Schedule C Expenses

Year ended March 31, 2021, with comparative information for 2020

	Operating Fund	Program Funds	General Fund	2021 Total	2020 Total
(Schedule B)					
Adoption subsidies	\$ 11,710	\$ —	\$ —	\$ 11,710	\$ 13,184
Boarding rate payments	2,809,870	—	—	2,809,870	2,960,189
Building occupancy	461,496	3,768	—	465,264	407,581
Client personal needs	471,744	142,022	—	613,766	590,205
Employee benefits	3,365,380	16,644	—	3,382,024	3,450,650
Health and related - client	141,015	—	—	141,015	198,428
Internal/external legal costs	11,226	—	—	11,226	42,442
Miscellaneous	166,294	—	—	166,294	322,530
Office administration	238,048	7,569	—	245,617	239,003
Permanency assistance	198,056	—	—	198,056	293,186
Professional services - client	127,543	—	—	127,543	278,266
Professional services - non-client	123,417	—	—	123,417	54,470
Promotion and publicity	245,832	—	—	245,832	94,741
Salaries	10,099,963	82,941	—	10,182,904	11,263,322
Special programs	89,840	—	—	89,840	30,398
Targeted adoption subsidies	514,395	—	—	514,395	541,454
Technology	573,513	—	—	573,513	281,429
Training and recruitment	264,103	—	—	264,103	75,490
Travel	290,754	4,116	—	294,870	558,705
	\$ 20,204,199	\$ 257,060	\$ —	\$ 20,461,259	\$ 21,695,673