

Financial Statements of

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

Year ended March 31, 2026

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

Table of Contents

Year ended March 31, 2026

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	Page
<b>Independent Auditor's Report</b>	
<b>Financial Statements:</b>	
Statement of Financial Position .....	1
Statement of Operations .....	2
Statement of Changes in Net Assets (Deficiency) .....	3
Statement of Cash Flows .....	4
Notes to Financial Statements .....	5
Schedule A - Statement of Financial Position - Program Funds .....	16
Schedule B - Statement of Operations and Changes in Internally Restricted Balances .....	17
Schedule C - Expenses .....	18



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## **INDEPENDENT AUDITOR'S 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, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets (deficiency) 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, 2026, and its results of operations 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 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.



Page 2

### ***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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Page 3

- 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 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 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 3, 2026

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

## Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
<b>Assets</b>		
Current assets:		
Cash	\$ 882,205	\$ 346,428
Restricted cash (notes 5 and 6)	696,363	532,695
Accounts receivable (note 2)	204,894	201,704
Prepaid expenses	170,350	454,914
	1,953,812	1,535,741
Capital assets (note 3)	3,248,606	3,377,192
	\$ 5,202,418	\$ 4,912,933

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 1,739,742	\$ 1,536,663
Agency obligations (note 6(a) and 6(b))	406,458	344,932
Agency funds held in trust (note 6(c))	43,897	6,138
Deferred revenue (note 5)	227,672	181,625
	2,417,769	2,069,358
Deferred capital contributions (note 8)	1,738,805	1,816,067
Net assets:		
Invested in capital assets (note 7)	1,509,802	1,561,126
Internally restricted	21,245	2,909
Unrestricted deficiency	(485,203)	(536,527)
	1,045,844	1,027,508
Economic dependence (note 9)		
Contingent liability (note 12)		
	\$ 5,202,418	\$ 4,912,933

See accompanying notes to financial statements.

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

## Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Operating grants	\$ 18,592,637	\$ 19,470,520
Child welfare recoveries	374,779	479,904
Interest income	45,677	60,268
Amortization of deferred contributions	77,262	81,768
Other income	313,733	94,452
	19,404,088	20,186,912
Expenses (Schedule B and C)	19,385,752	20,187,468
Excess of revenue over expenses		
(expenses over revenue) before the undernoted item	18,336	(556)
Prior year settlements and recoveries by the ministry	–	(38,006)
Excess of revenue over expenses (expenses over revenue)	\$ 18,336	\$ (38,562)

See accompanying notes to financial statements.

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

## Statement of Changes in Net Assets (Deficiency)

Year ended March 31, 2026, with comparative information for 2025

	Unrestricted	Internally restricted	Invested in capital assets	2026 Total	2025 Total
Net assets (deficiency), beginning of year	\$ (536,527)	\$ 2,909	\$ 1,561,126	\$ 1,027,508	\$ 1,066,070
Excess of revenue over expenses (expenses over revenue)	69,660	–	(51,324)	18,336	(38,562)
Interfund transfers	(18,336)	18,336	–	–	–
Net assets (deficiency), end of year	\$ (485,203)	\$ 21,245	\$ 1,509,802	\$ 1,045,844	\$ 1,027,508

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

## Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses (expenses over revenue)	\$ 18,336	\$ (38,562)
Items not involving cash:		
Amortization of deferred contributions	(77,262)	(81,768)
Amortization of capital assets	128,586	134,595
Changes in non-cash operating working capital:		
Accounts receivable	(3,190)	532,267
Prepaid expenses	284,564	(297,884)
Accounts payable and accrued liabilities	203,079	144,910
Agency obligations	61,526	(154,039)
Agency funds held in trust	37,759	(43,552)
Deferred revenue	46,047	(9,858)
	699,445	186,109
Increase in cash	699,445	186,109
Cash, beginning of year	879,123	693,014
Cash, end of year	\$ 1,578,568	\$ 879,123
Cash comprised of:		
Cash	\$ 882,205	\$ 346,428
Restricted cash	696,363	532,695
	\$ 1,578,568	\$ 879,123

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, 2026

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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, Youth and Family Services Act, 2017 (S.O. 2017). 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 by management in accordance with Canadian public sector accounting standards.

### (a) Revenue recognition:

The Society is funded primarily by the Ministry of Children, Community and Social Services (MCCSS). Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued.

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

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 MCCSS.

These financial statements reflect agreed arrangements approved by the MCCSS with respect to the year ended March 31, 2026.

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 are recognized as revenue in the year in which the related expenditures are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Other revenue is recognized when performance obligations are fulfilled.

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 1. Significant accounting policies (continued):

### (b) 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%

### (c) 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.

### (d) 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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (e) 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.

### (f) 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.

## 2. Accounts receivable:

	2026	2025
Due from other Societies	\$ 40,715	\$ 7,439
HST rebates recoverable	104,628	36,210
General	23,555	132,357
Province of Ontario	35,996	25,698
	<u>\$ 204,894</u>	<u>\$ 201,704</u>

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

### 3. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Shed	\$ 147,788	\$ 67,675	\$ 80,113	\$ 83,452
Land	225,000	–	225,000	225,000
Buildings	5,012,966	2,081,970	2,930,996	3,053,120
Generator	315,696	303,199	12,497	15,620
Furniture, fixtures and equipment	383,424	383,424	–	–
Computer equipment	522,756	522,756	–	–
	<b>\$ 6,607,630</b>	<b>\$ 3,359,024</b>	<b>\$ 3,248,606</b>	<b>\$ 3,377,192</b>

Cost and accumulated amortization at March 31, 2025 amounted to \$6,607,630 and \$3,230,438 respectively.

Amortization for the year amounted to \$128,586 (2025 - \$134,595).

### 4. Accounts payable and accrued liabilities:

	2026	2025
Trade payables and accrued liabilities	\$ 1,739,742	\$ 1,536,663

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 5. 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:

	2026	2025
Balance, beginning of year	\$ 181,625	\$ 191,483
Revenue:		
Donations	94,976	83,163
Interest earned	1,496	2,799
	<u>96,472</u>	<u>85,962</u>
Expenses - special activities	50,425	95,820
Excess (deficit) of revenue over expenses	46,047	(9,858)
Balance, end of year	<u>\$ 227,672</u>	<u>\$ 181,625</u>

## 6. 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:

	2026	2025
Registered educational savings program (RESP):		
Balance, beginning of year	\$ 111,973	\$ 177,497
Universal childcare benefit funds received	71,423	67,457
Transfer to individual RESP account	(13,639)	(9,988)
Contributions made to individual RESP accounts in year and redistributions	(8,228)	(122,993)
Balance, end of year	<u>161,529</u>	<u>111,973</u>
Ontario child tax benefit equivalent (OCBE):		
Balance, beginning of year	201,101	221,888
Grants received	43,023	38,481
Disbursements	(62,631)	(59,268)
Balance, end of year	<u>181,493</u>	<u>201,101</u>
Agency obligations	<u>\$ 343,022</u>	<u>\$ 313,074</u>

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 6. Agency obligations (continued):

### (a) (continued):

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:

	2026	2025
Total contributions in open RESP's held with Royal Bank, end of year	\$ 504,287	\$ 438,670

- (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 002-18, the OCBE activities fund is to provide all children and youth in care, in formal Customary Care, or involved with the Agency under a Voluntary Youth Service Agreement, 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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 6. Agency obligations (continued):

(b) (continued):

At March 31, these obligations consisted of:

	2026	2025
Registered disability savings program (RDSP):		
Balance, beginning of year	\$ 13,398	\$ 72,515
Universal childcare benefit funds received	22,263	19,949
Contributions made to individual RDSP accounts	–	(79,066)
<b>Balance, end of year</b>	<b>\$ 35,661</b>	<b>\$ 13,398</b>
	2026	2025
Ontario child tax benefit equivalent (OCBE):		
Balance, beginning of year	\$ 18,460	\$ 27,071
Grants received	29,038	42,907
Disbursement/adjustments in year	(19,723)	(51,518)
<b>Balance, end of year</b>	<b>\$ 27,775</b>	<b>\$ 18,460</b>
	<b>\$ 63,436</b>	<b>\$ 31,858</b>

(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.

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 Ontario Education Championship Teams (OECT) in partnerships with children's aid societies, school boards, colleges, universities, and employment services, helps children and youth in extended society care complete high school and pursue postsecondary education, training and employment. OECT's are expected to work towards the strategic goal of enabling better education, training and employment opportunities for all youth with extended society care status through funds provided by the Ministry of Colleges and Universities.

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 6. Agency obligations (continued):

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

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".

	2026	2025
<b>Roger Giroux trust</b>		
Funds held in trust as cash, beginning of year	\$ 29,814	\$ 37,000
Funds received during the year	588	814
Funds disbursed during the year	-	(8,000)
Balance at end of year	30,402	29,814
<b>OECT</b>		
Funds held in trust as cash, beginning of year	(23,676)	12,690
Funds received during the year	75,000	91,512
Funds disbursed during the year	(37,829)	(127,878)
Balance at end of year	13,495	(23,676)
<b>Funds held in trust as cash, end of year</b>	<b>\$ 43,897</b>	<b>\$ 6,138</b>

## 7. Investment in capital assets:

Investment in capital assets is calculated as follows:

	2026	2025
Capital assets	\$ 3,248,606	\$ 3,377,192
Amounts financed by:		
Deferred contributions - capital	(1,738,804)	(1,816,066)
	<b>\$ 1,509,802</b>	<b>\$ 1,561,126</b>

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 7. Investment in capital assets (continued):

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

	2026	2025
Amortization of capital assets	\$ (128,586)	\$ (134,595)
Amortization of deferred contributions	77,262	81,768
	\$ (51,324)	\$ (52,827)

## 8. Deferred contributions:

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

	2026	2025
Balance, beginning of year	\$ 1,816,067	\$ 2,729,466
Less: amounts recognized as revenue	(77,262)	(81,768)
Less: amounts written off (old roof)	-	(831,631)
Balance, end of year	\$ 1,738,805	\$ 1,816,067

## 9. 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.

## 10. 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, 2026, the balance in this fund amounts to \$Nil (2025 - \$Nil).

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

Notes to Financial Statements (continued)

Year ended March 31, 2026

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## 11. 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, 2025. The results of this valuation reported an actuarial deficit of \$1.3 billion (2024 - \$2.9 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. Ongoing adequacy of the contribution rates will need to be monitored and may lead to increased future funding requirements. 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 \$1,010,461 (2025 - \$1,063,190), for current service and is included as an employee benefits expense on the "Statement of Operations".

## 12. 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, 2026, 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, 2026

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## 13. 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. As at March 31, 2026, the Society's current liabilities exceed its current assets by \$463,957 (2025 - \$533,617). 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 significant change to the risk exposure from 2025.

### (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, 2026 is \$Nil (2025 - \$Nil). There has been no change to the risk exposure from 2025.

### (c) Interest rate risk:

Entity has a credit facility in the form of a \$1,500,000 revolving demand operating facility with Royal Bank of Canada. The facility is available through RBP-based loans and Bankers' Acceptances. Interest on RBP loans is charged at Royal Bank Prime minus 0.25% per annum. As at March 31, 2026, there was \$Nil drawn on the facility.

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

Schedule A  
Statement of Financial Position - Program Funds

March 31, 2026, with comparative information for 2025

	C & FI Independence Preparation	Education Liaison	Mental Health Funding	Operating Funds	2026 Total	2025 Total
<b>Assets</b>						
Current assets:						
Cash	\$ (3)	18,339	\$ -	\$ 2,909	\$ 21,245	\$ 2,909
<b>Fund Balances</b>						
Internally restricted	\$ (3)	\$ 18,339	\$ -	\$ 2,909	\$ 21,245	\$ 2,909

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

Schedule B

Statement of Operations and Changes in Internally Restricted Balances

Year ended March 31, 2026, with comparative information for 2025

	C & FI Independence Preparation	Education Liaison/PCE	Mental Health	Operating Funds	2026 Total	2025 Total
Revenue:						
Operating grants	\$ 110,088	\$ 107,923	\$ –	\$ –	\$ 218,011	\$ 205,103
Expenses:						
Program delivery	33,000	89,584	–	–	122,584	128,739
Salaries	77,091	–	–	–	77,091	76,920
	110,091	89,584	–	–	199,675	205,659
Excess of revenue over expenses (expenses over revenue)	(3)	18,339	–	–	18,336	(556)
Prior year settlements/recovered	–	–	–	–	–	(38,006)
Excess (deficiency) of revenue over expenses	(3)	18,339	–	–	18,336	(38,562)
Internally restricted balances, beginning of year	–	–	–	2,909	2,909	41,471
Internally restricted balances, end of year	\$ (3)	\$ 18,339	\$ –	\$ 2,909	\$ 21,245	\$ 2,909

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

Schedule C  
Expenses

Year ended March 31, 2026, with comparative information for 2025

	Operating Fund	Program Funds	2026 Total	2025 Total
	(Schedule B)			
Adoption subsidies	\$ 14,339	\$ –	\$ 14,339	\$ 2,823
Boarding rate payments	2,513,293	–	2,513,293	2,705,318
Building occupancy	1,002,958	–	1,002,958	638,698
Client personal needs	375,467	–	375,467	387,539
Employee benefits	2,700,839	–	2,700,839	2,892,628
Health and related – client	135,424	–	135,424	116,855
Internal/external legal costs	63,955	–	63,955	26,354
Miscellaneous	209,774	–	209,774	258,833
Office administration	125,295	–	125,295	186,912
Permanency assistance	202,283	–	202,283	69,871
Professional services – client	203,887	–	203,887	300,726
Professional services – non-client	130,028	–	130,028	94,521
Program delivery	34,979	122,584	157,563	190,454
Promotion and publicity	47,021	–	47,021	49,850
Salaries	9,713,022	77,091	9,790,113	10,579,483
Targeted adoption subsidies	581,094	–	581,094	638,780
Technology	521,500	–	521,500	486,852
Training and recruitment	124,350	–	124,350	93,889
Travel	486,569	–	486,569	467,082
	\$ 19,186,077	\$ 199,675	\$ 19,385,752	\$ 20,187,468