

Financial Statements of

**THE CHILDREN'S AID SOCIETY OF
THE DISTRICT OF NIPISSING
AND PARRY SOUND**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Children's Aid Society of the District of Nipissing and Parry Sound

Qualified Opinion

We have audited the financial statements of The Children's Aid Society of the Districts of Nipissing and Parry Sound (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations and 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 and other explanatory information

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

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditors' report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2022 and March 31, 2021
- the statement of operations and changes in net assets (deficiency) for the year then ended March 31, 2022 and March 31, 2021
- the statement of cash flows for the year then ended March 31, 2022 and March 31, 2021

Our opinion on the financial statements for the year ended March 31, 2022 was qualified accordingly because of the possible effects of this limitation in scope.

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 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 qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial statements, which indicates that the Entity has a net asset deficiency and a working capital deficiency at March 31, 2022.

As stated in Note 1(a) in the financial statements, these events or conditions, along with other matters as set forth in Note 1(a) in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

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 qualified 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 the 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 qualified 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.

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 extends to the right, ending under the "P" of "LLP".

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Canada
September 27, 2022

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND


Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ -	\$ 1,245,933
Accounts receivable (note 2)	1,587,196	1,532,217
Prepaid expenses and other	31,171	31,171
	1,618,367	2,809,321
Capital assets (note 3)	7,294,136	7,146,966
	\$ 8,912,503	\$ 9,956,287
 Liabilities, Deferred Contributions and Net Assets (Deficiency)		
Current liabilities:		
Bank indebtedness (note 4)	\$ 14,263	\$ -
Accounts payable and accrued liabilities (note 5)	2,786,079	3,668,366
Due to Trust fund	26,815	22,141
Payable to Ministry of Children, Community and Social Services	124,054	4,670
Current portion of mortgage payable (note 6)	15,209	14,923
	2,966,420	3,710,100
Deferred contributions (note 7)		
Expenses of future periods	988,488	686,354
Capital assets	5,966,198	5,819,028
	9,921,106	10,215,482
Mortgage payable (note 6)	383,286	398,523
	10,304,392	10,614,005
Net assets (deficiency):		
Unrestricted:		
Operating	(1,102,790)	(343,664)
Employment-related	(1,272,371)	(1,283,375)
Internally restricted (note 9)	53,829	54,829
Capital (note 8)	929,443	914,492
	(1,391,889)	(657,718)
Going concern (note 1(a))		
Contingency (note 11)		
	\$ 8,912,503	\$ 9,956,287

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Director

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Statement of Operations and Changes in Net Assets (Deficiency)

Year ended March 31, 2022, with comparative information for 2021

	Unrestricted		Internally Restricted	Investment in capital assets	Total 2022	Total 2021
	Operating (Schedules)	Employment Related				
Revenue:						
Ministry of Children, Community and Social Services (note 10)	\$ 19,869,680	-	-	-	19,869,680	21,354,270
Public Health Agency of Canada	345,919	-	-	-	345,919	349,720
Other grants	287,262	-	-	-	287,262	153,319
Other	675,106	-	-	-	675,106	296,294
Special allowances	458,111	-	-	-	458,111	619,432
Amortization of deferred capital contributions	-	-	-	387,883	387,883	413,345
Other Children's Aid Societies	342,420	-	-	-	342,420	89,849
Rent	9,996	-	-	-	9,996	11,949
	21,988,494	-	-	387,883	22,376,377	23,288,178
Expenses:						
Salaries, wages and benefits	14,553,352	-	-	-	14,553,352	13,629,319
Boarding rate payments	3,731,037	-	-	-	3,731,037	4,120,787
Travel	491,729	-	-	-	491,729	410,955
Professional services	646,119	-	-	-	646,119	1,415,611
Client's personal needs	510,158	-	-	-	510,158	638,906
Technology	433,346	-	-	-	433,346	536,112
Building occupancy	79,307	-	-	-	79,307	46,726
Health and related costs	129,237	-	-	-	129,237	115,778
Amortization of capital assets	-	-	-	387,883	387,883	413,345
Employment related (recovery)	-	(11,004)	-	-	(11,004)	265,852
Office administration	111,735	-	-	-	111,735	72,825
Recreation	38,511	-	-	-	38,511	11,501
Miscellaneous	61,917	-	1,000	-	62,917	13,842
Purchased services and supplies	83,415	-	-	-	83,415	26,031
Target Adoption Subsidies	503,360	-	-	-	503,360	525,212
Membership fees	106,499	-	-	-	106,499	107,054
Utilities and telephone	185,649	-	-	-	185,649	224,959
Training and recruitment	248,759	-	-	-	248,759	53,562
Facility renewal	167,856	-	-	-	167,856	33,352
Repairs and maintenance	207,715	-	-	-	207,715	405,053
Promotion and publicity	47,456	-	-	-	47,456	18,396
Admission prevention	39,543	-	-	-	39,543	27,705
Food	12,056	-	-	-	12,056	5,782
Insurance	235,744	-	-	-	235,744	185,198
Education	1,839	-	-	-	1,839	1,121
	22,626,339	(11,004)	1,000	387,883	23,004,218	23,304,984
Excess (deficiency) of revenue over expenses before the undernoted items	(637,845)	11,004	(1,000)	-	(627,841)	(16,806)
One-time Ministry accumulated surplus funding	-	-	-	-	-	1,036,790
Gain on sale of capital assets	20,990	-	-	-	20,990	-
Subsidy funding returned to Ministry	(127,320)	-	-	-	(127,320)	(33,399)
Repayment of mortgage payable	(14,951)	-	-	14,951	-	-
Excess (deficiency) of revenue over expenses	(759,126)	11,004	(1,000)	14,951	(734,171)	986,585
Net assets (deficiency), beginning of year	(343,664)	(1,283,375)	54,829	914,492	(657,718)	(1,644,303)
Net assets (deficiency), end of year	\$ (1,102,790)	(1,272,371)	53,829	929,443	(1,391,889)	(657,718)

See accompanying notes to financial statements.

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (734,171)	\$ 986,585
Adjustments for:		
Amortization of capital assets	387,883	413,345
Amortization of deferred capital contributions	(387,883)	(413,345)
Gain on disposal of capital assets	(20,990)	-
	(755,161)	986,585
Change in non-cash working capital:		
Accounts receivable	(54,979)	(459,495)
Payable to Ministry of Children, Community and Social Services	119,384	(262,429)
Trust payable	4,674	6,195
Accounts payable and accrued liabilities	(882,287)	965,813
	(1,568,369)	1,236,669
Cash flows from financing activities:		
Principal payments on mortgage payable	(14,951)	(13,713)
Cash flows from capital activities:		
Capital contributions	535,053	643,077
Deferred contributions	302,134	270,850
Purchase of capital assets, net of proceeds of disposition	(514,063)	(643,077)
	323,124	270,850
Net increase (decrease) in cash	(1,260,196)	1,493,806
Cash (bank indebtedness), beginning of year	1,245,933	(247,873)
Cash (bank indebtedness), end of year	\$ (14,263)	\$ 1,245,933

See accompanying notes to financial statements.

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

The Children's Aid Society of the District of Nipissing and Parry Sound (the "Society") is incorporated without share capital under the laws of Ontario to discharge the functions of a Children's Aid Society under the Child and Family Services Act – 1984. The Society received its Letters Patent of Amalgamation on November 18, 1999. The Society is exempt from income taxes under the Income Tax Act.

1. Significant accounting policies:

(a) Going concern:

These financial statements have been prepared on a going concern basis in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. The going concern basis of presentation assumes that the Society will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of operations. There is significant doubt about the appropriateness of the use of the going concern assumption because the Society has a net asset deficiency and working capital deficiency at March 31, 2022 as well as ongoing legal matters and litigation claiming \$5,000,000. The outcome of the cases are not presently determinable.

The ability of the Society to continue as a going concern and realize its assets and discharge its liabilities in the normal course of operations is dependent upon the continued support of the Ministry of Children, Community and Social Services and on its ability to restore and maintain sustainable operations in the future. No assurance can be given that additional funding will be available in the future from the Ministry of Children, Community and Social Services or other sources or that, if available, it can be obtained on terms favorable to the Society.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets, the reported revenues and expenses, and the statement of financial position classifications used.

(b) Basis of accounting:

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

(c) Revenue recognition:

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

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of fiscal period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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.

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(c) Revenue recognition (continued):

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

Revenue from rentals is recognized when earned.

(d) Employee future benefits:

Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the Society has insufficient information to apply defined benefit plan accounting.

(e) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market would be recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value would be recognized in the statement of remeasurement gains and losses until they are realized, when they would be transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded at fair value, as described below:

Level 1	Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Fair value measurements are those derived market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly
Level 3	Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(f) Capital assets:

Capital asset purchases are recorded at cost. Capital assets donated are recorded at their fair market value at the date of acquisition. When a capital asset no longer contributes to the Society's ability to provide services, it is written down to its residual value. Any unamortized deferred capital contribution amount related to the capital asset is recognized in revenue in the Statement of Operations, provided that all restrictions have been complied with. Amortization is provided on the straight-line basis over their estimated useful lives, from the time the assets are put in use, at the following range of annual rates:

	Rate
Buildings	2% – 4%
Land improvements	5% – 10%
Vehicles	20%
Computers	33%
Furniture and equipment	10% – 20%

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Society uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position.

(g) 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets; provisions for impairment of trade accounts receivable and accounts payable and accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

2. Accounts receivable:

	2022	2021
Trade receivables	\$ 924,515	\$ 1,219,249
Harmonized sales tax recoverable	662,681	312,968
	\$ 1,587,196	\$ 1,532,217

3. Capital assets:

2022	Cost	Accumulated amortization	Net book Value
Land	\$ 1,254,486	\$ -	\$ 1,254,486
Land improvements	196,624	40,648	155,976
Buildings	10,388,309	4,841,072	5,547,237
Vehicles	392,140	335,118	57,022
Computer	1,116,090	1,061,949	54,141
Furniture and equipment	578,211	379,609	198,602
Leasehold improvements	28,375	1,703	26,672
	\$ 13,954,235	\$ 6,660,099	\$ 7,294,136

2021	Cost	Accumulated amortization	Net book Value
Land	\$ 1,254,486	-	1,254,486
Land improvements	196,624	30,642	165,982
Buildings	10,036,920	4,553,873	5,483,047
Vehicles	426,468	308,237	118,231
Computer	1,116,090	1,046,508	69,582
Furniture and equipment	391,114	363,283	27,831
Leasehold improvements	28,375	568	27,807
	\$ 13,450,077	\$ 6,303,111	\$ 7,146,966

During the year, the Society entered into an agreement to sell property located at 25 Church Street in Parry Sound, with a closing date of April 29, 2022. The property was sold for \$800,000. The impact of the sale will be included in the financial statements for the year ended March 31, 2023.

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

4. Bank indebtedness:

The Society has available a line of credit of \$2,500,000 secured by a general security agreement bearing interest at the bank's prime rate less 0.25%. At March 31, 2022, \$Nil is outstanding on this facility (2021 - \$Nil).

5. Accounts payable and accrued liabilities:

	2022	2021
Trade payables	\$ 1,068,680	\$ 2,025,207
Government remittances	33,736	30,865
Payroll payable	411,292	328,920
Vacation and health spending payable	1,272,371	1,283,374
	\$ 2,786,079	\$ 3,668,366

The Society has entered into agreements with former employees for severance benefits. The total provision for the balance of the agreements have been reflected in the accounts payable and accrued liabilities.

6. Mortgage payable:

	2022	2021
TD Canada Trust mortgage bearing interest at 1.9%, repaying in blended monthly payments of \$1,887, secured by a general security agreement, land and building located at 140 Elmwood Avenue, North Bay and an assignment of fire insurance. Due August, 2023.	\$ 398,495	\$ 413,446
Less current portion due within one year	15,209	14,923
	\$ 383,286	\$ 398,523

Scheduled principal repayments in each of the next two years and thereafter are as follows:

2023	\$ 15,209
2024	383,286
	\$ 398,495

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

7. Deferred contributions:

(a) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent externally restricted donations and grants.

	2022	2021
Balance, beginning of year	\$ 686,354	415,504
Add: amounts received for the following year	737,434	410,310
Less: amount recognized as revenue in the year	(435,300)	(139,460)
Balance, end of year	\$ 988,488	686,354

The deferred contributions balance is allocated to the following programs:

	2022	2021
Child Welfare Funds to be Invested for RESPs	\$ 165,637	\$ 156,517
OCBE Savings	149,454	137,051
OCBE Activities	106,625	125,793
Kids in Care Achieving Success/Beauchamp Hub	149,298	119,230
Partner Facility Renewal	379,807	91,566
Community Action Program	23,248	23,248
Play-Your-Party Parenting/IODE	-	13,719
Christmas donation	6,753	13,338
CPNP	6,301	2,500
Nipissing Innovation Fund	-	1,986
Wendy's Wonderful Kids	787	828
Parry Sound Camp Fund	578	578
Balance, end of year	\$ 988,488	\$ 686,354

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

7. Deferred contributions (continued):

- (b) Deferred contributions related to capital assets represent the unamortized and unspent balances of donations and grants received for capital asset acquisitions. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2022	2021
Balance, beginning of year	\$ 5,819,028	\$ 5,589,296
Add: amounts received for the following year	538,486	643,077
Less: amount recognized as revenue in the year	(391,316)	(413,345)
Balance, end of year	\$ 5,966,198	\$ 5,819,028

There are no unspent balances during the year (2021 - \$Nil).

8. Investment in capital assets:

Details of the investment in capital assets are as follows:

	2022	2021
Capital assets	\$ 7,294,136	\$ 7,146,966
Amounts financed by:		
Deferred contributions - capital assets - unamortized	(5,966,198)	(5,819,028)
Mortgage payable	(398,495)	(413,446)
	\$ 929,443	\$ 914,492

9. Restrictions on net assets:

The Board of Directors has restricted net assets as follows:

	2022	2021
Betty Ralph Trust	\$ 21,406	\$ 21,406
Ronald Lees Trust	32,423	33,423
	\$ 53,829	\$ 54,829

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

10. Ministry of Children, Community and Social Services Funding:

	2022	2021
Funding:		
Operating	\$ 19,759,400	\$ 21,380,196
OCBE	108,703	18,647
Mental Health	-	50,000
COVID-19 Residential Relief Funding (CRRF)	365,047	246,015
Pandemic pay	-	29,693
Supporting Consistency of Care of Youth	37,825	137,561
Targeted Subsidy	129,375	125,235
Customary Care	7,816	10,000
Less: amounts received for capital assets	(538,486)	(643,077)
	<u>\$ 19,869,680</u>	<u>\$ 21,354,270</u>

11. Contingency:

The Society is involved in certain legal matters and litigation claiming \$7,200,000. The outcome of the cases are not presently determinable. The loss, if any, from these contingencies will be accounted for in the period in which the matters are resolved or can be reasonably estimated.

12. Trust accounts:

The following accounts, held in trust, are not funds of the Society's and are not included on the statement of financial position.

	2022	2021
Assets:		
RESP trust deposits	\$ 1,906,663	\$ 1,564,625
Liabilities:		
RESP trust deposits	\$ 1,906,663	\$ 1,564,625

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

13. Multi-employer pension plan:

The Society makes contributions to Ontario Municipal Employees' Retirement System ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit 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.

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of 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, 2021. The results of this valuation disclosed total going concern actuarial liabilities of \$120,796 million (2021 - \$113,055 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$117,665 million (2021 - \$109,844 million) indicating a going concern actuarial deficit of \$3,131 million (2021 - \$3,211 million).

The amount contributed to OMERS was \$1,111,289 (2021 - \$1,063,780) for current service and is included as an expense in the statement of operations and net assets.

14. Comparative information:

Certain of the prior year figures have been reclassified to conform with the financial statement presentation adopted for the current year.

15. Financial risks:

a) 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 collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Society at March 31, 2022 is the carrying value of these assets. There have been no significant changes to the risk exposure from 2021.

b) 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 significant changes to the risk exposures from 2021.

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Notes to Financial Statements

Year ended March 31, 2022

15. Financial risks (continued):

c) Interest risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The society is exposed to this risk through its bank line of credit and term debt. There have been no significant changes to the risk exposure from 2021.

d) Other risk:

The Society's main sources of revenue are government operating grants, fundraising and donation revenues. In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The Society closed certain facilities based on recommendations from Public Health Ontario. These facilities were reopened in the summer of 2020 on an appointment basis with social distancing requirements and Public Health regulations followed.

The impact of COVID-19 is expected to have some negative impact on operations. The further overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time. Management is actively monitoring the effect of the pandemic on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Organization is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Schedule of Program Revenue and Expenses - Ministry of Children, Community and Social Services
(Unaudited)

Year ended March 31, 2022, with comparative information for 2021

	Non-Residential and Residential Direct Cost of Services for Children in Care	Covid Funding	Infrastructure and Administrative Support	Technology	Arbour House	Infant Development	Child and Family Intervention	Y.O.A. Community Support	Near North Youth Centre	Education Liaison	Community Capacity	Partner Facility Renewal	Ontario Child Benefit Equivalent Fund	E.C.M. - Kehoe Street Apartment Building	Total 2022	Total 2021
Revenue:																
Provincial grants - Operating	\$ 13,389,118	365,047	3,548,476	354,227	1,056,028	452,599	253,951	529,164	77,200	91,626	39,668	142,359	-	-	20,299,463	21,978,700
- Ontario Child Benefit Equivalent	-	-	-	-	-	-	-	-	-	-	-	-	108,703	-	108,703	18,647
Other grants																35,451
Other	413,050	-	-	-	189,924	-	-	-	-	2,163	-	-	-	-	605,137	292,695
Special allowances	458,111	-	-	-	-	-	-	-	-	-	-	-	-	-	458,111	619,432
Other Children's Aid Societies	342,421	-	-	-	-	-	-	-	-	-	-	-	-	-	342,421	89,849
Rental	6,096	-	-	-	-	-	-	-	-	-	-	-	-	3,900	9,996	11,949
	14,608,796	365,047	3,548,476	354,227	1,245,952	452,599	253,951	529,164	77,200	93,789	39,668	142,359	108,703	3,900	21,823,831	23,046,723
Expenses:																
Salaries and wages	7,545,316	-	1,981,406	-	742,391	251,054	103,501	272,475	11,992	67,203	31,732	-	-	-	11,007,070	10,327,551
Benefits	2,298,288	-	532,096	-	128,440	63,887	18,945	61,221	-	13,451	6,269	-	-	-	3,122,597	2,909,665
Travel	456,733	-	2,573	-	11,188	4,129	1,995	5,265	-	129	1,667	-	475	-	484,154	407,592
Training and recruitment	41,165	-	2,628	-	169,312	6,770	-	25,602	-	-	-	-	-	-	245,477	53,562
Boarding rate payments:																
Foster care boarding home fees	1,623,006	-	-	-	-	-	-	-	-	-	-	-	-	-	1,623,006	2,373,559
Outside paid foster care	909,006	-	-	-	-	-	-	-	-	-	-	-	-	-	909,006	524,049
Outside paid institution fees	532,794	359,591	-	-	-	-	-	-	-	-	-	-	-	-	892,385	871,424
Other care	306,640	-	-	-	-	-	-	-	-	-	-	-	-	-	306,640	351,755
Purchased services:																
Non-client	3,097	-	-	-	70,764	-	-	-	-	-	-	-	-	-	73,861	9,394
Professional services:																
Non-client	-	-	219,777	-	83	51,079	1,079	883	359	-	-	-	-	-	273,260	1,021,092
Client	110,718	-	-	-	4,727	-	98,540	-	-	2,163	-	-	-	-	216,148	251,285
Client legal	27,074	-	-	-	-	-	-	-	-	-	-	-	-	-	27,074	143,234
Client's personal needs	374,406	-	-	-	14,400	70	-	-	-	1,411	-	-	67,878	74	458,239	610,832
Technology	-	154	-	354,227	36,172	19,277	-	15,607	-	269	-	-	-	1,805	427,511	605,537
Building occupancy	47,636	5,302	-	-	12,900	-	-	13,469	-	-	-	-	-	-	79,307	46,726
Health and related costs	129,237	-	-	-	-	-	-	-	-	-	-	-	-	-	129,237	115,778
Office administration	-	-	78,436	-	29,872	-	-	-	-	-	-	-	-	2,261	110,569	59,981
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	38,511	-	38,511	11,501
Miscellaneous	-	-	39,596	-	479	1,564	-	-	-	-	-	-	-	-	41,639	11,996
Membership fees	10,554	-	95,945	-	-	-	-	-	-	-	-	-	-	-	106,499	107,054
Target Adoption Subsidies	503,360	-	-	-	-	-	-	-	-	-	-	-	-	-	503,360	525,212
Utilities and telephone	-	-	120,010	-	35,075	5,130	2,588	13,799	-	-	-	-	-	9,047	185,649	227,084
Facility renewal	-	-	103,600	-	6,405	-	-	-	-	-	-	38,717	-	1,972	150,694	33,352
Repairs and maintenance	-	-	93,320	-	74,174	2,116	638	8,376	-	-	-	-	-	20,600	199,224	452,385
Promotion and publicity	-	-	46,930	-	526	-	-	-	-	-	-	-	-	-	47,456	18,396
Admission prevention	39,543	-	-	-	-	-	-	-	-	-	-	-	-	-	39,543	27,705
Food	-	-	-	-	12,056	-	-	-	-	-	-	-	-	-	12,056	5,782
Insurance	-	-	232,159	-	-	-	-	2,370	-	-	-	-	-	1,215	235,744	185,198
Education	-	-	-	-	-	-	-	-	-	-	-	-	1,839	-	1,839	1,121
	14,958,573	365,047	3,548,476	354,227	1,348,964	405,076	227,286	419,067	12,351	84,626	39,668	38,717	108,703	36,974	21,947,755	22,289,802
Excess (deficiency) of revenue over expenses before the undernoted	(349,777)	-	-	-	(103,012)	47,523	26,665	110,097	64,849	9,163	-	103,642	-	(33,074)	(123,924)	756,921
Repayment of mortgage payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,713)
Allocation of central administration	264,543	-	-	-	(110,000)	(47,523)	(26,665)	(55,562)	-	(9,163)	-	-	-	-	15,630	1,176
Transfers (to) from programs	(33,074)	-	-	-	-	-	-	(54,535)	54,535	-	-	-	-	33,074	-	-
Transfers to deferred capital contributions	(159,697)	-	-	-	(275,147)	-	-	-	-	-	-	(103,642)	-	-	(538,486)	(643,077)
Subsidy funding return to Ministry	-	-	-	-	-	-	-	-	(119,384)	-	-	-	-	-	(119,384)	(24,161)
Excess (deficiency) of revenue over expenses	\$ (278,005)	-	-	-	(488,159)	-	-	-	-	-	-	-	-	-	(766,164)	77,146

THE CHILDREN'S AID SOCIETY OF THE DISTRICT OF NIPISSING AND PARRY SOUND

Schedule of Program Revenue and Expenses - Other
(Unaudited)

Year ended March 31, 2022, with comparative information for 2021

	Community Action Program for Children	Canada Prenatal Nutrition Program	Wendys' Wonderful Kids	Youth Advisory Committee	Child and Youth Advocacy Centre	Big Steps to Success	Total 2022	Total 2021
Revenue:								
Public Health Agency of Canada	\$ 278,900	67,019	-	-	-	-	345,919	349,720
Other grants	-	-	85,040	-	160,000	42,222	287,262	117,868
Others	-	-	-	-	-	-	-	-
Donations	-	-	-	69,969	-	-	69,969	3,349
	278,900	67,019	85,040	69,969	160,000	42,222	703,150	470,937
Expenses:								
Salaries and wages	212,115	34,050	54,542	30,000	7,686	6,516	344,909	326,567
Benefits	48,306	11,812	18,658	-	-	-	78,776	65,536
Travel	4,318	1,049	2,208	-	-	-	7,575	3,363
Training and recruitment	469	-	-	2,813	-	-	3,282	-
Professional services:								
Non-client	-	-	-	-	94,101	35,536	129,637	-
Purchased services:								
Client	-	-	-	-	-	-	-	14,688
Non-client	8,770	13	-	(1,250)	1,000	-	8,533	1,249
Office administration	1,166	-	-	-	-	-	1,166	10,719
Program expenses	-	-	-	-	-	-	-	-
Supplies	1,021	-	-	-	-	-	1,021	700
Technology	1,100	-	436	-	4,299	-	5,835	7,781
Client personal needs	-	20,095	85	30,740	999	-	51,919	28,074
Facility renewal	-	-	-	-	17,162	-	17,162	-
Promotion and publicity	-	-	-	-	-	-	-	-
Repair and maintenance	-	-	-	-	8,491	-	8,491	-
Food	-	-	-	-	-	-	-	-
Miscellaneous	1,635	-	-	4,211	15,262	170	21,278	1,846
	278,900	67,019	75,929	66,514	149,000	42,222	679,584	460,523
Excess of revenue over expenses before the undernoted	-	-	9,111	3,455	11,000	-	23,566	10,414
Allocation of central administration	-	-	(1,175)	(3,455)	(11,000)	-	(15,630)	(1,176)
Subsidy funding return	-	-	(7,936)	-	-	-	(7,936)	(9,238)
Excess of revenue over expenses	\$ -	-	-	-	-	-	-	-