

Financial Statements of

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

And Independent Auditor's Report thereon

Year ended March 31, 2023



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INDEPENDENT AUDITOR'S 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, 2023
- 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 auditor's report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, 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, 2023 and March 31, 2022
- the statement of operations and changes in net assets (deficiency) for the year then ended March 31, 2023 and March 31, 2022
- the statement of cash flows for the year then ended March 31, 2023 and March 31, 2022



Our opinion on the financial statements for the year ended March 31, 2023 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 “**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 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, 2023.

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.

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 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.



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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 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'.

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Canada
July 5, 2023

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

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 146,274	\$ -
Accounts receivable (note 3)	2,045,067	1,587,196
Prepaid expenses and other	73,503	31,171
	2,264,844	1,618,367
Capital assets (note 4)	7,194,634	7,294,136
	\$ 9,459,478	\$ 8,912,503
Liabilities, Deferred Contributions and Net Assets (Deficiency)		
Current liabilities:		
Bank indebtedness (note 5)	\$ -	\$ 14,263
Accounts payable and accrued liabilities (note 6)	3,102,506	2,786,079
Due to Trust fund	24,707	26,815
Payable to Ministry of Children, Community and Social Services	939,953	124,054
Current portion of long-term debt (note 7)	35,101	15,209
	4,102,267	2,966,420
Deferred contributions (note 8)		
Expenses of future periods	2,042,794	988,488
Capital assets	5,866,695	5,966,198
	12,011,756	9,921,106
Asset retirement obligations (note 14)	-	-
Long-term debt (note 7)	838,212	383,286
	12,849,968	10,304,392
Net assets (deficiency):		
Unrestricted:		
Operating	(2,668,471)	(1,102,790)
Employment-related	(1,226,473)	(1,272,371)
Internally restricted (note 10)	49,829	53,829
Capital (note 9)	454,625	929,443
	(3,390,490)	(1,391,889)
Going concern (note 1(a))		
Contingency (note 12)		
Subsequent events (note 15)		
	\$ 9,459,478	\$ 8,912,503

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, 2023, with comparative information for 2022

	Unrestricted		Internally Restricted	Investment in capital assets	Total 2023	Total 2022
	Operating (Schedules)	Employment Related				
Revenue:						
Ministry of Children, Community and Social Services (note 11)	\$ 19,262,307	-	-	-	19,262,307	19,869,680
Public Health Agency of Canada	348,520	-	-	-	348,520	345,919
Other grants	265,514	-	-	-	265,514	287,262
Other	299,142	-	-	-	299,142	675,106
Special allowances	429,277	-	-	-	429,277	458,111
Amortization of deferred capital contributions	-	-	-	340,858	340,858	387,883
Other Children's Aid Societies	628,560	-	-	-	628,560	342,420
Rent	15,847	-	-	-	15,847	9,996
	21,249,167	-	-	340,858	21,590,025	22,376,377
Expenses:						
Salaries, wages and benefits	14,736,089	-	-	-	14,736,089	14,553,352
Boarding rate payments	3,679,201	-	-	-	3,679,201	3,731,037
Travel	517,831	-	-	-	517,831	491,729
Professional services	962,441	-	-	-	962,441	646,119
Client's personal needs	531,434	-	-	-	531,434	509,326
Technology	449,301	-	-	-	449,301	433,346
Building occupancy	115,941	-	-	-	115,941	79,307
Health and related costs	126,277	-	-	-	126,277	129,237
Amortization of capital assets	-	-	-	340,858	340,858	387,883
Employment related (recovery)	-	(45,898)	-	-	(45,898)	(11,004)
Office administration	88,967	-	-	-	88,967	111,735
Recreation	54,100	-	-	-	54,100	38,511
Miscellaneous	34,234	-	4,000	-	38,234	62,917
Purchased services and supplies	167,631	-	-	-	167,631	83,415
Target Adoption Subsidies	538,367	-	-	-	538,367	503,360
Membership fees	47,050	-	-	-	47,050	106,499
Utilities and telephone	218,880	-	-	-	218,880	185,649
Training and recruitment	119,119	-	-	-	119,119	248,759
Facility renewal	3,292	-	-	-	3,292	167,856
Repairs and maintenance	434,592	-	-	-	434,592	207,941
Promotion and publicity	19,678	-	-	-	19,678	47,456
Admission prevention	51,467	-	-	-	51,467	40,149
Food	13,364	-	-	-	13,364	12,056
Insurance	291,683	-	-	-	291,683	235,744
Education	2,419	-	-	-	2,419	1,839
	23,203,358	(45,898)	4,000	340,858	23,502,318	23,004,218
Excess (deficiency) of revenue over expenses before the undernoted items						
	(1,954,191)	45,898	(4,000)	-	(1,912,293)	(627,841)
(Loss) gain on sale of capital assets	(57,253)	-	-	-	(57,253)	20,990
Subsidy funding returned to Ministry	(29,055)	-	-	-	(29,055)	(127,320)
Repayments of long term debt	(15,182)	-	-	15,182	-	-
Proceeds of long term debt	490,000	-	-	(490,000)	-	-
Excess (deficiency) of revenue over expenses	(1,565,681)	45,898	(4,000)	(474,818)	(1,998,601)	(734,171)
Net assets (deficiency), beginning of year	(1,102,790)	(1,272,371)	53,829	929,443	(1,391,889)	(657,718)
Net assets (deficiency), end of year	\$ (2,668,471)	(1,226,473)	49,829	454,625	(3,390,490)	(1,391,889)

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, 2023, with comparative information for 2022

	2023	2022
Cash flows from operating activities:		
Deficiency of revenue over expenses	\$ (1,998,601)	\$ (734,171)
Adjustments for:		
Amortization of capital assets	340,858	387,883
Amortization of deferred capital contributions	(340,858)	(387,883)
Asset retirement obligation	-	-
Loss (gain) on sale of capital assets	57,253	(20,990)
	(1,941,348)	(755,161)
Change in non-cash working capital:		
Accounts receivable	(457,871)	(54,979)
Prepaid expenses and other	(42,332)	-
Payable to Ministry of Children, Community and Social Services	815,899	119,384
Trust payable	(2,108)	4,674
Accounts payable and accrued liabilities	316,427	(882,287)
	(1,311,333)	(1,568,369)
Cash flows from financing activities:		
Principal repayments of long term debt	(15,182)	(14,951)
Proceeds of long term debt	490,000	-
	474,818	(14,951)
Cash flows from capital activities:		
Capital contributions	1,098,608	535,053
Deferred contributions, net of proceeds of disposition	197,053	302,134
Purchase of capital assets, net of proceeds of disposition	(298,609)	(514,063)
	997,052	323,124
Net increase (decrease) in cash		
	160,537	(1,260,196)
(Bank indebtedness) cash, beginning of year	(14,263)	1,245,933
Cash (bank indebtedness), end of year	\$ 146,274	\$ (14,263)

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, 2023

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, 2023 as well as ongoing legal matters and litigation claiming \$8,650,000. 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, 2023

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, 2023

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, 2023

1. Significant accounting policies (continued):

(h) Asset retirement obligations:

The Society recognizes the fair value of an Asset Retirement Obligation ("ARO") when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of certain Society facilities has been recognized based on estimated future expenses. Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability recorded within the financial statements is recognized in the Statement of Operations at the time of remediation occurs.

2. Change in accounting policies:

On April 1, 2022, the Society adopted Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as remediation associated with land owned by the Society. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

On April 1, 2022, the Society recognized an asset retirement obligation relating to facilities owned by the Society that are inhabitable with plans for full demolition. The land was originally purchased by the Society in 2014, and the liability was measured as of the date of planned remediation, when the liability was created.

In accordance with the provisions of this new standard, the Society reflected the following adjustments at April 1, 2022:

- An increase of \$119,00 to expenses related to the land remediation planned for 2023.
- And, an asset retirement obligation in the amount of \$119,000, representing the estimated cost of remediation as at that date.

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

Notes to Financial Statements

Year ended March 31, 2023

3. Accounts receivable:

	2023	2022
Trade receivables	\$ 1,818,442	\$ 924,515
Harmonized sales tax recoverable	226,625	662,681
	\$ 2,045,067	\$ 1,587,196

4. Capital assets:

2023	Cost	Accumulated amortization	Net book Value
Land	\$ 1,254,486	\$ -	\$ 1,254,486
Land improvements	231,979	51,747	180,232
Buildings	10,074,895	4,609,147	5,465,748
Vehicles	392,141	368,927	23,214
Computer	1,146,379	1,102,402	43,977
Furniture and equipment	578,211	379,609	198,602
Leasehold improvements	28,375	-	28,375
	\$ 13,706,466	\$ 6,511,832	\$ 7,194,634

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

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

Notes to Financial Statements

Year ended March 31, 2023

5. 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, 2023, \$Nil is outstanding on this facility (2022 - \$Nil).

6. Accounts payable and accrued liabilities:

	2023	2022
Trade payables	\$ 1,065,209	\$ 1,068,680
Government remittances	43,921	33,736
Payroll payable	481,348	411,292
Payroll accruals	285,555	-
Vacation and health spending payable	1,226,473	1,272,371
	\$ 3,102,506	\$ 2,786,079

7. Long term debt:

	2023	2022
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 May, 2027.	\$ 383,313	\$ 398,495
TD Canada Trust loan bearing a floating interest rate, at prime 6.45% for 2023, fixed monthly payments of \$1,633 principal only, secured by a general security agreement, land and building located at 140 Elmwood Avenue, North Bay and an assignment of fire insurance. Due May, 2027.	490,000	-
	873,313	398,495
Less current portion due within one year	35,101	15,209
	\$ 838,212	\$ 383,286

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

2024	\$	35,101
2025		35,393
2026		35,696
2027		767,123
	\$	873,313

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

Notes to Financial Statements

Year ended March 31, 2023

8. Deferred contributions:

(a) Expenses of future periods:

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

	2023	2022
Balance, beginning of year	\$ 988,488	686,354
Add: amounts received for the following year	1,600,412	737,434
Less: amount recognized as revenue in the year	(546,106)	(435,300)
Balance, end of year	\$ 2,042,794	988,488

The deferred contributions balance is allocated to the following programs:

	2023	2022
Child Welfare Funds to be Invested for RESPs	\$ 180,897	\$ 165,637
OCBE Savings	136,917	149,454
OCBE Activities	45,363	106,625
Kids in Care Achieving Success/Beauchamp Hub	149,298	149,298
Partner Facility Renewal	75,000	379,807
One-Site Elmwood Project	1,357,750	-
Capital expenditures	25,744	
Community Action Program	25,698	23,248
Big Steps to Success	12,877	-
Christmas donation	13,977	6,753
Youth Enrichment	8,727	-
CPNP	5,051	6,301
One-Site Donations	3,687	-
Wendy's Wonderful Kids	771	787
Parry Sound Camp Fund	578	578
Kinship Families Donations	459	-
Balance, end of year	\$ 2,042,794	\$ 988,488

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

Notes to Financial Statements

Year ended March 31, 2023

8. 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.

	2023	2022
Balance, beginning of year	\$ 5,966,198	\$ 5,819,028
Add: amounts received for the following year	1,098,608	538,486
Less: sale of Parry Sound land building and disposals	(857,253)	-
Less: amount recognized as revenue in the year	(340,858)	(391,316)
Balance, end of year	\$ 5,866,695	\$ 5,966,198

There are no unspent balances during the year (2022 - \$Nil).

9. Investment in capital assets:

Details of the investment in capital assets are as follows:

	2023	2022
Capital assets	\$ 7,194,633	\$ 7,294,136
Amounts financed by:		
Deferred contributions - capital assets - unamortized	(5,866,695)	(5,966,198)
Mortgage payable	(873,313)	(398,495)
	\$ 454,625	\$ 929,443

10. Restrictions on net assets:

The Board of Directors has restricted net assets as follows:

	2023	2022
Betty Ralph Trust	\$ 21,406	\$ 21,406
Ronald Lees Trust	28,423	32,423
	\$ 49,829	\$ 53,829

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

Notes to Financial Statements

Year ended March 31, 2023

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

	2023	2022
Funding:		
Operating	\$ 20,015,491	\$ 19,759,400
OCBE	148,258	108,703
COVID-19 Residential Relief Funding (CRRF)	-	365,047
Standard Subsidy	6,505	-
Supporting Consistency of Care of Youth	50,575	37,825
Targeted Subsidy	134,291	129,375
Customary Care	5,795	7,816
Less: amounts received for capital assets	(1,098,608)	(538,486)
	\$ 19,262,307	\$ 19,869,680

12. Contingency:

The Society is involved in certain legal matters and litigation claiming \$8,650,000. 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.

13. 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.

	2023	2022
Assets:		
RESP trust deposits	\$ 1,776,781	\$ 1,906,663
Liabilities:		
RESP trust deposits	\$ 1,776,781	\$ 1,906,663

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

Notes to Financial Statements

Year ended March 31, 2023

14. Asset retirement obligation:

The Society has accrued for asset retirement obligations related to the requirement for the removal or remediation of land owned by the Society. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the facility in accordance with current legislation.

The change in the estimated obligation during the year consists of the following:

	2023	2022
Balance beginning of year:	\$ -	\$ -
Adjustment on adoption of PS 3280 asset retirement obligation standard	119,000	-
Less: current portion reported in accounts payable and accrued liabilities	(119,000)	-
	\$ -	\$ -

15. Subsequent events:

On November 29, 2022, the Ontario Superior Court rendered a decision to declare the Protecting a Sustainable Public Sector for Future Generations Act, 2019, known as Bill 124, to be void and of no effect. On December 29, 2022, The Province of Ontario appealed the Superior Court's decision, but the Government has not sought a stay of decision. This ruling has triggered reopener provisions that required renewed negotiations with certain labour groups on compensation for the years that were previously capped by the legislation. The Society has recorded liabilities based on management's estimate of potential settlement amounts. Negotiations with respect to settlement amounts are expected to occur in the fall of 2023.

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

Notes to Financial Statements

Year ended March 31, 2023

16. 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, 2022. The results of this valuation disclosed total going concern actuarial liabilities of \$130,306 million (2022 - \$120,796 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$123,628 million (2022 - \$117,665 million) indicating a going concern actuarial deficit of \$6,678 million (2022 - \$3,131 million).

The amount contributed to OMERS was \$1,096,940 (2022 - \$1,111,289) for current service and is included as an expense in the statement of operations and net assets.

17. 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, 2023 is the carrying value of these assets. There have been no significant changes to the risk exposure from 2022.

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 2022.

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 2022.

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, 2023, with comparative information for 2022

	Non-Residential and Residential Direct Cost of Services for Children in Care	Infrastructure and Administrative Support	Technology	Arbour House	Infant Development	Child and Family Intervention	Y.O.A. Community Support	Education Liaison	Community Capacity	Partner Facility Renewal	Ontario Child Benefit Equivalent Fund	E.C.M. - Kehoe Street Apartment Building	Total 2023	Total 2022
Revenue:														
Provincial grants - Operating	\$ 12,161,079	4,331,761	392,432	1,590,570	457,599	253,951	514,164	91,626	39,668	379,807	-	-	20,212,657	20,299,463
- Ontario Child Benefit Equivalent	-	-	-	-	-	-	-	-	-	-	148,258	-	148,258	108,703
Other grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	297,884	-	-	260	-	-	-	998	-	-	-	-	299,142	605,137
Special allowances	429,277	-	-	-	-	-	-	-	-	-	-	-	429,277	458,111
Other Children's Aid Societies	264,495	-	-	364,065	-	-	-	-	-	-	-	-	628,560	342,421
Rental	1,147	-	-	-	-	-	-	-	-	-	-	14,700	15,847	9,996
	13,153,882	4,331,761	392,432	1,954,895	457,599	253,951	514,164	92,624	39,668	379,807	148,258	14,700	21,733,741	21,823,831
Expenses:														
Salaries and wages	7,195,466	1,981,406	-	1,239,541	298,669	107,413	316,779	69,601	32,831	-	-	-	11,241,706	11,007,070
Benefits	2,151,314	532,096	-	215,988	76,262	20,219	63,147	13,862	6,243	-	-	-	3,079,131	3,122,597
Travel	462,376	15,238	-	18,221	4,111	1,990	5,270	418	594	-	77	-	508,295	484,154
Training and recruitment	62,900	2,628	-	47,904	(5,025)	-	10,187	-	-	-	-	-	118,594	245,477
Boarding rate payments:														
Foster care boarding home fees	1,394,784	-	-	-	-	-	-	-	-	-	-	-	1,394,784	1,623,006
Outside paid foster care	980,440	-	-	-	-	-	-	-	-	-	-	-	980,440	909,006
Outside paid institution fees	916,772	-	-	-	-	-	-	-	-	-	-	-	916,772	892,385
Other care	387,205	-	-	-	-	-	-	-	-	-	-	-	387,205	306,640
Purchased services:														
Non-client	-	-	-	148,729	-	-	-	-	-	-	-	-	148,729	73,861
Professional services:														
Non-client	80,516	240,148	-	440	51,079	1,078	863	-	-	-	-	-	374,124	273,260
Client	151,150	-	-	-	-	93,373	-	(1,819)	-	-	-	-	242,704	216,148
Client legal	293,271	-	-	-	-	-	-	-	-	-	-	-	293,271	27,074
Client's personal needs	382,246	-	-	24,197	286	-	1,233	859	-	-	91,662	518	501,001	458,239
Technology	-	-	362,143	39,608	46,074	-	21,980	540	-	-	-	1,352	471,697	427,511
Building occupancy	97,198	-	-	13,120	-	-	5,623	-	-	-	-	-	115,941	79,307
Health and related costs	125,294	-	-	983	-	-	-	-	-	-	-	-	126,277	129,237
Office administration	-	81,138	-	1,749	-	-	-	-	-	-	-	3,055	85,942	110,569
Recreation	-	-	-	-	-	-	-	-	-	-	54,100	-	54,100	38,511
Miscellaneous	-	27,971	-	-	1,559	-	-	-	-	-	-	-	29,530	41,639
Membership fees	1,483	45,567	-	-	-	-	-	-	-	-	-	-	47,050	106,499
Target Adoption Subsidies	538,367	-	-	-	-	-	-	-	-	-	-	-	538,367	503,360
Utilities and telephone	-	126,152	-	55,065	5,130	2,588	19,971	-	-	-	-	9,974	218,880	185,649
Facility renewal	(9,598)	3,962	-	5,075	-	-	-	-	1,293	-	-	-	732	150,694
Repairs and maintenance	-	332,992	-	71,256	1,308	625	10,313	-	-	350	-	9,307	426,151	199,224
Promotion and publicity	-	19,505	-	173	-	-	-	-	-	-	-	-	19,678	47,456
Admission prevention	51,467	-	-	-	-	-	-	-	-	-	-	-	51,467	39,543
Food	-	-	-	13,364	-	-	-	-	-	-	-	-	13,364	12,056
Insurance	-	278,102	-	8,667	-	-	3,236	-	-	-	-	1,678	291,683	235,744
Education	-	-	-	-	-	-	-	-	-	-	2,419	-	2,419	1,839
	15,262,651	3,686,905	362,143	1,904,080	479,453	227,286	458,602	83,461	39,668	1,643	148,258	25,884	22,680,034	21,947,755
Excess (deficiency) of revenue over expenses before the undernoted	(2,108,769)	644,856	30,289	50,815	(21,854)	26,665	55,562	9,163	-	378,164	-	(11,184)	(946,293)	(123,924)
Repayment of long term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of central administration	267,713	-	-	(110,000)	(47,523)	(26,665)	(55,562)	(9,163)	-	-	-	-	18,800	15,630
Transfers (to) from programs	(21,413)	-	-	-	-	-	-	-	-	-	-	21,413	-	-
Transfers to deferred capital contributions	-	(644,856)	(30,289)	(45,060)	-	-	-	-	-	(368,174)	-	(10,229)	(1,098,608)	(538,486)
Subsidy funding return to Ministry	(11,445)	-	-	-	-	-	-	-	-	(9,990)	-	-	(21,435)	(119,384)
Excess (deficiency) of revenue over expenses	\$ (1,873,914)	-	-	(104,245)	(69,377)	-	-	-	-	-	-	-	(2,047,536)	(766,164)

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, 2023, with comparative information for 2022

	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 2023	Total 2022
Revenue:								
Public Health Agency of Canada	\$ 276,449	72,070	-	-	-	-	348,519	345,919
Other grants	-	-	76,914	75,000	110,000	3,600	265,514	287,262
Others	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	69,969
	276,449	72,070	76,914	75,000	110,000	3,600	614,033	703,150
Expenses:								
Salaries and wages	198,907	38,882	54,201	40,000	-	-	331,990	344,909
Benefits	54,671	9,591	19,000	-	-	-	83,262	78,776
Travel	6,286	1,425	1,803	22	-	-	9,536	7,575
Training and recruitment	257	-	-	268	-	-	525	3,282
Professional services:								
Client	-	-	-	-	30,000	-	30,000	30,000
Non-client	-	-	-	-	51,194	1,148	52,342	99,637
Purchased services:								
Client	-	-	-	6,546	-	-	6,546	-
Non-client	8,771	3,496	-	-	-	-	12,267	8,533
Office administration	2,426	283	-	-	316	-	3,025	1,166
Program expenses	-	-	-	-	-	-	-	-
Supplies	89	-	-	-	-	-	89	1,021
Technology	4,537	350	422	-	2,584	-	7,893	5,835
Client personal needs	-	15,258	188	12,599	-	2,388	30,433	51,919
Facility renewal	-	2,560	-	-	-	-	2,560	17,162
Promotion and publicity	-	-	-	-	-	-	-	-
Repair and maintenance	-	225	-	-	8,216	-	8,441	8,491
Food	-	-	-	-	-	-	-	-
Miscellaneous	505	-	-	1,445	6,690	64	8,704	21,278
	276,449	72,070	75,614	60,880	99,000	3,600	587,613	679,584
Excess of revenue over expenses before the undernoted	-	-	1,300	14,120	11,000	-	26,420	23,566
Allocation of central administration	-	-	(1,300)	(6,500)	(11,000)	-	(18,800)	(15,630)
Subsidy funding return	-	-	-	(7,620)	-	-	(7,620)	(7,936)
Excess of revenue over expenses	\$ -	-	-	-	-	-	-	-