

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, 2024



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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, 2024
- 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, 2024, 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, 2024 and March 31, 2023
- the statement of operations and changes in net assets (deficiency) for the year then ended March 31, 2024 and March 31, 2023
- the statement of cash flows for the year then ended March 31, 2024 and March 31, 2023



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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, 2024.

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.

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.



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- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Canada
October 10, 2024

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

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 96,798	\$ 146,274
Accounts receivable (note 3)	2,475,023	2,045,067
Prepaid expenses and other	98,185	73,503
	2,670,006	2,264,844
Capital assets (note 4)	8,264,035	7,194,634
	\$ 10,934,041	\$ 9,459,478
Liabilities, Deferred Contributions and Net Assets (Deficiency)		
Current liabilities:		
Bank indebtedness (note 5)	\$ 1,260,000	\$ -
Accounts payable and accrued liabilities (note 6)	3,822,497	3,102,506
Due to Trust fund	18,964	24,707
Payable to Ministry of Children, Community and Social Services	69,227	939,953
Current portion of long-term debt (note 7)	35,398	35,101
	5,206,086	4,102,267
Deferred contributions (note 8)		
Expenses of future periods	740,818	2,042,794
Capital assets	7,096,224	5,866,695
	13,043,128	12,011,756
Asset retirement obligations (note 14)	-	-
Long-term debt (note 7)	799,548	838,212
	13,842,676	12,849,968
Net assets (deficiency):		
Unrestricted:		
Operating	(2,092,264)	(2,668,472)
Employment-related	(1,199,065)	(1,226,473)
Internally restricted (note 10)	49,829	49,829
Capital (note 9)	332,865	454,626
	(2,908,635)	(3,390,490)
Going concern (note 1(a))		
Contingency (note 12)		
Subsequent events (note 15)		
	\$ 10,934,041	\$ 9,459,478

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, 2024, with comparative information for 2023

	Unrestricted		Internally Restricted	Investment in capital assets	Total 2024	Total 2023
	Operating (Schedules)	Employment Related				
Revenue:						
Ministry of Children, Community and Social Services (note 11)	\$ 23,305,054	-	-	-	23,305,054	19,262,307
Public Health Agency of Canada	350,738	-	-	-	350,738	348,520
Other grants	477,642	-	-	-	477,642	265,514
Other	379,455	-	-	-	379,455	299,142
Special allowances	424,618	-	-	-	424,618	429,277
Amortization of deferred capital contributions	-	-	-	405,751	405,751	340,858
Other Children's Aid Societies	362,611	-	-	-	362,611	628,560
Rent	4,800	-	-	-	4,800	15,847
	25,304,918	-	-	405,751	25,710,669	21,590,025
Expenses:						
Salaries, wages and benefits	15,907,718	-	-	-	15,907,718	14,736,089
Boarding rate payments	4,376,915	-	-	-	4,376,915	3,679,201
Travel	501,711	-	-	-	501,711	517,831
Professional services	619,800	-	-	-	619,800	962,441
Client's personal needs	392,889	-	-	-	392,889	531,434
Technology	368,436	-	-	-	368,436	449,301
Building occupancy	126,171	-	-	-	126,171	115,941
Health and related costs	180,104	-	-	-	180,104	126,277
Amortization of capital assets	-	-	-	405,679	405,679	340,858
Employment related (recovery)	-	(27,408)	-	-	(27,408)	(45,898)
Office administration	145,098	-	-	-	145,098	88,967
Recreation	56,466	-	-	-	56,466	54,100
Miscellaneous	105,150	-	-	-	105,150	38,234
Purchased services and supplies	111,930	-	-	-	111,930	167,631
Target adoption subsidies	545,588	-	-	-	545,588	538,367
Membership fees	101,343	-	-	-	101,343	47,050
Utilities and telephone	220,116	-	-	-	220,116	218,880
Training and recruitment	88,489	-	-	-	88,489	119,119
Facility renewal (recovery)	(20,189)	-	-	-	(20,189)	3,292
Repairs and maintenance	326,007	-	-	-	326,007	434,592
Promotion and publicity	17,759	-	-	-	17,759	19,678
Admission prevention	108,255	-	-	-	108,255	51,467
Food	12,507	-	-	-	12,507	13,364
Insurance	385,207	-	-	-	385,207	291,683
Education	8,878	-	-	-	8,878	2,419
	24,686,348	(27,408)	-	405,679	25,064,619	23,502,318
Excess (deficiency) of revenue over expenses before the undernoted items						
	618,570	27,408	-	72	646,050	(1,912,293)
Loss on sale of capital assets	-	-	-	(160,200)	(160,200)	(57,253)
Subsidy funding returned to Ministry	(3,995)	-	-	-	(3,995)	(29,055)
Repayments of long term debt	(38,367)	-	-	38,367	-	-
Excess (deficiency) of revenue over expenses						
	576,208	27,408	-	(121,761)	481,855	(1,998,601)
Net assets (deficiency), beginning of year	(2,668,472)	(1,226,473)	49,829	454,626	(3,390,490)	(1,391,889)
Net assets (deficiency), end of year	\$ (2,092,264)	(1,199,065)	49,829	332,865	(2,908,635)	(3,390,490)

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, 2024, with comparative information for 2023

	2024	2023
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ 481,855	\$ (1,998,601)
Adjustments for:		
Amortization of capital assets	405,679	340,858
Amortization of deferred capital contributions	(405,751)	(340,858)
Loss on sale of capital assets	160,200	57,253
	<u>641,983</u>	<u>(1,941,348)</u>
Change in non-cash working capital:		
Accounts receivable	(429,956)	(457,871)
Prepaid expenses and other	(24,682)	(42,332)
Payable to Ministry of Children, Community and Social Services	(870,726)	815,899
Trust payable	(5,743)	(2,108)
Accounts payable and accrued liabilities	719,991	316,427
	<u>30,867</u>	<u>(1,311,333)</u>
Cash flows from financing activities:		
Principal repayments of long term debt	(38,367)	(15,182)
Proceeds of long term debt	-	490,000
	<u>(38,367)</u>	<u>474,818</u>
Cash flows from capital activities:		
Capital contributions	1,635,280	1,098,608
Deferred contributions, net of proceeds of disposition	(1,301,976)	197,053
Purchase of capital assets, net of proceeds of disposition	(1,635,280)	(298,609)
	<u>(1,301,976)</u>	<u>997,052</u>
Net (decrease) increase in cash	(1,309,476)	160,537
Cash (bank indebtedness), beginning of year	146,274	(14,263)
(Bank indebtedness) cash, end of year	\$ (1,163,202)	\$ 146,274
Bank indebtedness consists of:		
Cash	\$ 96,798	\$ 146,274
Bank indebtedness	(1,260,000)	-
	<u>\$ (1,163,202)</u>	<u>\$ 146,274</u>

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, 2024

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, 2024 as well as ongoing legal matters and litigation claiming \$12,800,000. 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, 2024

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, 2024

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, 2024

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, 2023, the Society adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024 the Society determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

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

Notes to Financial Statements

Year ended March 31, 2024

3. Accounts receivable:

	2024	2023
Trade receivables	\$ 1,806,055	\$ 1,818,442
Harmonized sales tax recoverable	668,968	226,625
	\$ 2,475,023	\$ 2,045,067

4. Capital assets:

2024	Cost	Accumulated amortization	Net book Value
Land	\$ 1,094,286	\$ -	\$ 1,094,286
Land improvements	267,548	66,406	201,142
Buildings	11,543,978	4,921,282	6,622,696
Vehicles	452,641	388,479	64,162
Computer	1,207,659	1,116,599	91,060
Furniture and equipment	590,434	424,245	166,189
Leasehold improvements	25,000	500	24,500
	\$ 15,181,546	\$ 6,917,511	\$ 8,264,035

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

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

Notes to Financial Statements

Year ended March 31, 2024

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%, repayable December 31, 2024. At March 31, 2024, \$1,260,000 is outstanding on this facility (2023 - \$Nil).

As a condition of its credit facilities, the Society must maintain certain restrictive covenants. As at March 31, 2024, the Society was in compliance with all restrictive covenants. Subsequent to year end, the Society did not meet its restrictive financial reporting covenant, and as such, was non-compliant with this covenant.

6. Accounts payable and accrued liabilities:

	2024	2023
Trade payables	\$ 1,316,357	\$ 1,065,209
Government remittances	-	43,921
Payroll payable	491,094	481,348
Payroll accruals	815,981	285,555
Vacation and health spending payable	1,199,065	1,226,473
	<u>\$ 3,822,497</u>	<u>\$ 3,102,506</u>

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

Notes to Financial Statements

Year ended March 31, 2024

7. Long term debt:

	2024	2023
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, 2025.	\$ 367,813	\$ 383,313
TD Canada Trust loan bearing a floating interest rate, at prime less 0.5% 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 August, 2025.	467,133	490,000
	834,946	873,313
Less current portion due within one year	35,398	35,101
	\$ 799,548	\$ 838,212

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

2025	\$ 35,398
2026	799,548
	\$ 834,946

As a condition of its credit facilities, the Society must maintain certain restrictive covenants. As at March 31, 2024, the Society was in compliance with all restrictive covenants. Subsequent to year end, the Society did not meet its restrictive financial reporting covenant, and as such, was non-compliant with this covenant.

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

Notes to Financial Statements

Year ended March 31, 2024

8. Deferred contributions:

(a) Expenses of future periods:

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

	2024	2023
Balance, beginning of year	\$ 2,042,794	988,488
Add: amounts received for the following year	1,600,412	1,600,412
Less: amount recognized as revenue in the year	(2,902,388)	(546,106)
Balance, end of year	\$ 740,818	2,042,794

The deferred contributions balance is allocated to the following programs:

	2024	2023
Kids in Care Achieving Success/Beauchamp Hub	\$ 230,763	\$ 149,298
Child Welfare Funds to be Invested for RESPs	179,746	180,897
OCBE Savings	132,683	136,917
Partner Facility Renewal	75,000	75,000
Capital expenditures	25,744	25,744
NB Hospital	21,859	-
One-Site Donations	21,511	3,687
Canada Post	17,151	-
Big Steps to Success	10,112	12,877
Kinship Families Donations	10,050	459
CPNP	5,051	5,051
Christmas donation	3,878	13,977
Community Action Program	3,165	25,698
Youth Enrichment	2,756	8,727
Wendy's Wonderful Kids	771	771
Parry Sound Camp Fund	578	578
OCBE Activities	-	45,363
Youth Justice Services	-	-
One-Site Elmwood Project	-	1,357,750
Balance, end of year	\$ 740,818	\$ 2,042,794

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

Notes to Financial Statements

Year ended March 31, 2024

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.

	2024	2023
Balance, beginning of year	\$ 5,866,695	\$ 5,966,198
Add: amounts received for the following year	1,635,280	1,098,608
Less: sale of Parry Sound land building and disposals	-	(857,253)
Less: amount recognized as revenue in the year	(405,751)	(340,858)
Balance, end of year	\$ 7,096,224	\$ 5,866,695

There are no unspent balances during the year (2023 - \$Nil).

9. Investment in capital assets:

Details of the investment in capital assets are as follows:

	2024	2023
Capital assets	\$ 8,264,035	\$ 7,194,634
Amounts financed by:		
Deferred contributions - capital assets - unamortized	(7,096,224)	(5,866,695)
Mortgage payable	(834,946)	(873,313)
	\$ 332,865	\$ 454,626

10. Restrictions on net assets:

The Board of Directors has restricted net assets as follows:

	2024	2023
Betty Ralph Trust	\$ 21,406	\$ 21,406
Ronald Lees Trust	28,423	28,423
	\$ 49,829	\$ 49,829

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

Notes to Financial Statements

Year ended March 31, 2024

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

	2024	2023
Funding:		
Operating	\$ 23,477,517	\$ 20,015,491
OCBE	144,066	148,258
Standard Subsidy	-	6,505
Supporting Consistency of Care of Youth	-	50,575
Targeted Subsidy	-	134,291
Customary Care	-	5,795
Less: amounts received for capital assets	(316,529)	(1,098,608)
	\$ 23,305,054	\$ 19,262,307

12. Contingency:

The Society is involved in certain legal matters and litigation claiming \$12,800,000. 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.

	2024	2023
Assets:		
RESP trust deposits	\$ 1,868,247	\$ 1,776,781
Liabilities:		
RESP trust deposits	\$ 1,868,247	\$ 1,776,781

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

Notes to Financial Statements

Year ended March 31, 2024

14. Asset retirement obligation:

The Society has accrued for asset retirement obligations related to the requirement for the removal or remediation of building 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:

	2024	2023
Balance beginning of year:	119,000	119,000
Less: current portion reported in accounts payable and accrued liabilities	(119,000)	(119,000)
	\$ -	\$ -

15. Subsequent events:

The Society was notified by the Ministry of Children, Community and Social Services that no further funding will be received related to Arbour House. As a result, the Society ceased operating Arbour House effective March 31, 2024, with no additional youth from outside agencies being admitted.

Subsequent to year end, funding to the Society was announced by the Province of Ontario, through the Minister of Economic Development, Job Creation and Trade, under the Partner Facility Renewal program. The announcement was for a total investment of \$204,100 for the Society towards repairs at the Elmwood facility.

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

Notes to Financial Statements

Year ended March 31, 2024

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 \$136,185 million (2023 - \$130,306 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$131,983 million (2023 - \$123,628 million) indicating a going concern actuarial deficit of \$4202 million (2023 - \$6,678 million).

The amount contributed to OMERS was \$1,128,432 (2023 - \$1,096,940) 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, 2024 is the carrying value of these assets. There have been no significant changes to the risk exposure from 2023.

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 2023.

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 2023.

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, 2024, with comparative information for 2023

	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 2024	Total 2023
Revenue:														
Provincial grants - Operating	\$ 18,624,349	\$ 1,436,428	\$ 302,153	\$ 1,610,780	\$ 452,599	\$ 253,951	\$ 529,164	\$ 91,626	\$ 39,668	\$ 136,800	\$ -	\$ -	\$ 23,477,518	\$ 20,212,657
- Ontario Child Benefit Equivalent	-	-	-	-	-	-	-	-	-	-	144,066	-	144,066	148,258
Other grants	23,706	-	-	-	-	-	-	-	-	-	-	-	23,706	-
Other	198,042	-	-	170,413	-	-	-	-	-	-	11,000	-	379,455	299,142
Special allowances	424,618	-	-	-	-	-	-	-	-	-	-	-	424,618	429,277
Other Children's Aid Societies	158,887	-	-	203,724	-	-	-	-	-	-	-	-	362,611	628,560
Rental	-	-	-	-	-	-	-	-	-	-	-	4,800	4,800	15,847
	19,429,602	1,436,428	302,153	1,984,917	452,599	253,951	529,164	91,626	39,668	136,800	155,066	4,800	24,816,774	21,733,741
Expenses:														
Salaries and wages	9,810,959	-	-	1,369,744	227,752	126,229	301,981	68,989	33,127	-	-	-	11,938,781	11,241,706
Benefits	2,856,188	-	-	238,381	74,829	21,142	67,099	13,162	6,129	-	-	-	3,276,930	3,079,131
Travel	410,219	30,266	-	28,731	5,534	2,072	8,584	-	412	-	-	-	485,818	508,295
Training and recruitment	73,532	-	-	2,405	2,055	-	4,989	20	-	-	-	-	83,001	118,594
Boarding rate payments:														
Foster care boarding home fees	1,614,537	-	-	-	-	-	-	-	-	-	-	-	1,614,537	1,394,784
Outside paid foster care	1,203,204	-	-	-	-	-	-	-	-	-	-	-	1,203,204	980,440
Outside paid institution fees	1,199,205	-	-	-	-	-	-	-	-	-	-	-	1,199,205	916,772
Other care	357,488	-	-	-	-	-	-	-	-	-	2,481	-	359,969	387,205
Purchased services:														
Non-client	-	501	-	91,423	-	-	-	-	-	-	-	-	91,924	148,729
Professional services:														
Non-client	170	287,605	-	(5)	50,000	-	-	-	-	-	-	-	337,770	374,124
Client	138,906	-	-	-	-	77,843	-	-	-	-	-	-	216,749	242,704
Client legal	65,281	-	-	-	-	-	-	-	-	-	-	-	65,281	293,271
Client's personal needs	272,450	-	-	25,155	2,172	-	670	-	-	-	62,782	839	364,068	501,001
Technology	-	-	302,153	21,136	9,960	-	26,163	292	-	-	683	860	361,247	471,697
Building occupancy	106,312	-	-	14,624	-	-	5,235	-	-	-	-	-	126,171	115,941
Health and related costs	179,611	-	-	237	-	-	-	-	-	-	256	-	180,104	126,277
Office administration	-	139,592	-	1,928	93	-	-	-	-	-	111	-	141,724	85,942
Recreation	-	-	-	-	-	-	-	-	-	-	56,466	-	56,466	54,100
Miscellaneous	57,244	38,295	-	158	1,724	-	103	-	-	-	70	-	97,594	29,530
Membership fees	23,385	77,958	-	-	-	-	-	-	-	-	-	-	101,343	47,050
Target Adoption Subsidies	545,588	-	-	-	-	-	-	-	-	-	-	-	545,588	538,367
Utilities and telephone	-	141,186	-	44,774	6,027	-	18,703	-	-	-	-	9,426	220,116	218,880
Facility renewal (recovery)	(233,091)	104,236	-	(23,632)	-	-	-	-	-	132,298	-	-	(20,189)	732
Repairs and maintenance	-	226,615	-	45,472	12,186	-	17,354	-	-	-	-	24,380	326,007	426,151
Promotion and publicity	-	17,759	-	-	-	-	-	-	-	-	-	-	17,759	19,678
Admission prevention	108,255	-	-	-	-	-	-	-	-	-	-	-	108,255	51,467
Food	-	-	-	12,507	-	-	-	-	-	-	-	-	12,507	13,364
Insurance	48	372,415	-	-	12,744	-	-	-	-	-	-	-	385,207	291,683
Education	-	-	-	-	-	-	-	-	-	-	8,878	-	8,878	2,419
	18,789,491	1,436,428	302,153	1,873,038	405,076	227,286	450,881	82,463	39,668	132,298	131,727	35,505	23,906,014	22,680,034
Excess (deficiency) of revenue over expenses before the undernoted	640,111	-	-	111,879	47,523	26,665	78,283	9,163	-	4,502	23,339	(30,705)	910,760	(946,293)
Allocation of central administration	267,512	-	-	(111,879)	(47,523)	(26,665)	(55,562)	(9,163)	-	-	-	-	16,720	18,800
Transfers to deferred capital contributions	(316,530)	-	-	-	-	-	-	-	-	-	-	-	(316,530)	(1,098,608)
Subsidy funding return to Ministry	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,435)
Excess (deficiency) of revenue over expenses	\$ 591,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,721	\$ -	\$ -	\$ 4,502	\$ 23,339	\$ (30,705)	\$ 610,950	\$ (2,047,536)

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, 2024, with comparative information for 2023

	Community Action Program for Children	Canada Prenatal Nutrition Program	Mothers in Mind	Wendys' Wonderful Kids	Youth Advisory Committee	Big Steps to Success	Canadian Red Cross Society	Total 2024	Total 2023
Revenue:									
Public Health Agency of Canada	\$ 279,918	\$ 70,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,738	\$ 348,519
Other grants	-	-	227,146	79,765	71,005	2,765	73,255	453,936	265,514
Donations	-	-	-	-	-	-	-	-	-
	279,918	70,820	227,146	79,765	71,005	2,765	73,255	804,674	614,033
Expenses:									
Salaries and wages	188,989	46,566	180,090	60,781	36,068	-	53,131	565,625	331,990
Benefits	59,984	9,638	31,245	11,519	3,931	-	10,065	126,382	83,262
Travel	6,916	-	3,202	5,775	-	-	-	15,893	9,536
Training and recruitment	3,620	-	1,868	-	-	-	-	5,488	525
Professional services:									
Client	-	-	-	-	-	-	-	-	30,000
Non-client	-	-	-	-	-	-	-	-	52,342
Purchased services:									
Client	107	-	-	-	-	-	-	107	6,546
Non-client	12,800	6,992	107	-	-	-	-	19,899	12,267
Office administration	1,416	550	1,408	-	-	-	-	3,374	3,025
Supplies	-	-	-	-	-	-	-	-	89
Technology	5,269	1,101	345	390	84	-	-	7,189	7,893
Client personal needs	-	5,973	8,466	-	11,578	1,665	1,139	28,821	30,433
Facility renewal	-	-	-	-	-	-	-	-	2,560
Repair and maintenance	-	-	-	-	-	-	-	-	8,441
Miscellaneous	817	-	415	-	5,224	1,100	-	7,556	8,704
	279,918	70,820	227,146	78,465	56,885	2,765	64,335	780,334	587,613
Excess of revenue over expenses before the undernoted	-	-	-	1,300	14,120	-	8,920	24,340	26,420
Allocation of central administration	-	-	-	(1,300)	(6,500)	-	(8,920)	(16,720)	(18,800)
Subsidy funding return	-	-	-	-	(3,995)	-	-	(3,995)	(7,620)
Excess of revenue over expenses	\$ -	\$ -	\$ -	\$ -	\$ 3,625	\$ -	\$ -	\$ 3,625	\$ -