Financial Statements of

THE CHILDREN'S AID SOCIETY OF OTTAWA/ LA SOCIÉTÉ DE L'AIDE À L'ENFANCE D'OTTAWA

And Independent Auditor's Report thereon

Year ended March 31, 2023

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Children's Aid Society of Ottawa/
La Société de l'aide à l'enfance d'Ottawa

Opinion

We have audited the financial statements of The Children's Aid Society of Ottawa/La Société de l'aide à l'enfance d'Ottawa (the Society), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG Canada provides services to KPMG LLP.

Other Matter - Comparative Information

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 13, 2022.

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 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 Society'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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 29, 2023

THE CHILDREN'S AID SOCIETY OF OTTAWA/
LA SOCIÉTÉ DE L'AIDE À L'ENFANCE D'OTTAWA

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	$ 8,254,114	$ 9,569,776
Accounts receivable (note 3)	1,501,746	1,927,335
Prepaid expenses	967,116	332,588
	10,722,976	11,829,699
Restricted cash for RESPs (note 5)	3,559,544	3,439,451
Loan receivable	83,905	83,905
Capital assets (note 6)	12,682,968	12,981,286
	$ 27,049,393	$ 28,334,341
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 10,311,733	$ 10,988,907
Accrued vacation pay	1,341,806	1,350,738
Restricted contributions - special projects (Schedule 1)	643,567	780,109
Deferred salary liability (note 15)	69,322	41,103
	12,366,428	13,160,857
Universal Child Care Benefits and RESPs held for others (note 5)	3,559,544	3,439,452
Deferred capital contributions (note 9)	3,656,591	3,965,691
	19,582,563	20,566,000
Net assets	7,466,830	7,768,341
Contingencies (note 10)		
Commitments (note 11)		
Guarantees (note 13)		
	$ 27,049,393	$ 28,334,341

See accompanying notes to financial statements.

On behalf of the Board:

E-SIGNED by Anna Tosto
on 2023-07-18 22:10:57 GMT ______ Director

E-SIGNED by Sheila Niven
on 2023-07-19 03:14:26 GMT ______ Director

THE CHILDREN'S AID SOCIETY OF OTTAWA/ LA SOCIÉTÉ DE L'AIDE À L'ENFANCE D'OTTAWA

Statement of Operations and Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Government funding - Ministry of Children, Community and Social Services of Ontario (the "Ministry"):		
Operating grants	$ 68,692,903	$ 68,046,978
Child Welfare Approved Balance Budget Fund	342,173	711,760
Targeted subsidy funding	452,036	444,791
Customary Care one-time funding	–	7,706
Expenditure recoveries and other revenue	3,890,976	3,150,252
Amortization of deferred capital contributions (note 9)	309,100	309,100
	73,687,188	72,670,587
Restricted contributions - special projects (note 16(b), Schedules 1 and 2)	32,180,570	30,286,562
	105,867,758	102,957,149
Expenses (note 16(a)):		
Salaries and wages	33,397,385	31,964,225
Boarding rate payments	20,151,284	20,854,828
Benefits	8,032,978	7,778,444
Targeted adoption and legal custody subsidy	1,813,845	1,779,165
Clients' personal needs	1,720,803	1,150,922
Building occupancy	1,429,770	1,198,331
Adoption subsidy	1,232,707	1,284,391
Direct service travel	916,590	827,556
Professional services, non-case	893,154	1,027,175
Amortization of capital assets	881,451	1,914,620
Professional services, case	644,962	730,480
Other	629,389	615,528
Office administration	586,228	801,521
Financial assistance	557,640	494,985
Health and related	385,444	343,705
Education and conferences	238,674	240,048
Technology	174,261	15,769
Kinship Service Episodic Support	126,147	60,318
Promotion and publicity	74,112	52,346
Kinship Service Placement Startup	37,331	18,652
Travel - administration	35,217	8,186
Legal custody subsidy	26,100	53,865
Program expenses	3,227	4,973
Customary care one-time financing	–	7,706
	73,988,699	73,227,739
Special projects (note 16(b), Schedules 1 and 2)	32,180,570	30,286,562
	106,169,269	103,514,301
Deficiency of revenue over expenses before the following	(301,511)	(557,152)
Transfer from Balanced Budget Fund (note 14)	–	(1,053,934)
Deficiency of revenue over expenses	(301,511)	(1,611,086)
Net assets, beginning of year	7,768,341	9,379,427
Net assets, end of year	$ 7,466,830	$ 7,768,341

See accompanying notes to financial statements.

THE CHILDREN'S AID SOCIETY OF OTTAWA/
LA SOCIÉTÉ DE L'AIDE À L'ENFANCE D'OTTAWA

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	$ (301,511)	$ (1,611,085)
Items not involving cash:		
Amortization of capital assets	881,451	1,914,620
Amortization of deferred capital contributions	(309,100)	(309,100)
Disposal proceeds	10,894	–
Change in non-cash operating working capital:		
Accounts receivable	425,589	(625,769)
Loan receivable	–	1,053,933
Prepaid expenses	(634,528)	(44,051)
Restricted contributions - special projects	(136,542)	(336,979)
Accounts payable and accrued liabilities	(677,174)	(20,071)
Accrued vacation pay	(8,932)	187,422
Deferred salary liability	28,219	14,968
	(721,634)	223,888
Investing activities:		
Purchase of capital assets	(594,028)	(1,295,199)
Decrease in cash	(1,315,662)	(1,071,311)
Cash, beginning of year	9,569,776	10,641,087
Cash, end of year	$ 8,254,114	$ 9,569,776

See accompanying notes to financial statements.

The Children's Aid Society of Ottawa/La Société de l'aide à l'enfance d'Ottawa (the "Society") is incorporated without share capital under the laws of Ontario and its operations are governed by the Child Youth and Family Services Act. The Society's principal mandate is to provide child welfare services in the City of Ottawa. Funding for these services is principally provided by the Province of Ontario. The Society is dependent upon this funding for its continued operations.

The Society is a registered charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

1. Significant accounting policies:

(a) Basis of accounting:

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations including sections PS 4200 to PS 4270.

(b) Revenue recognition:

The Society follows the deferral method of accounting for contributions.

The Society receives the majority of its funds from the Province of Ontario. Funding is determined by the Ministry based on a combination of socioeconomic factors for the jurisdiction served and the three-year average of benchmark services delivered. The estimated amount of funding resulting from the funding framework is accrued in the financial statements as revenue from the Ministry in the current year. Any funding adjustments required to record revenue as a result of the Ministry's year-end review are recognized in the year of final settlement.

Restricted contributions are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. 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.

1. Significant accounting policies (continued):

(c) Financial instruments:

(i) Measurement of financial instruments:

The Society initially measures its financial assets and its financial liabilities at fair value and subsequently measures them at cost or amortized cost.

(ii) Transaction costs:

Transaction costs associated with the acquisition and disposal of financial instruments that are measured subsequently at amortized cost are capitalized to the acquisition costs or reduce proceeds on disposal.

(d) Capital assets:

Capital assets are recorded at cost. Amortization of buildings and equipment is calculated on a straight-line basis using the following annual rates:

Buildings	40 years
Parking lot	10 years
Playground and outdoor visitor area	10 years
Furniture and equipment	10 years
Leasehold improvements	Over term of lease
Automotive equipment	4 years
Computer hardware and software	1 - 4 years

1. Significant accounting policies (continued):

(e) Deferred capital contributions:

Contributions received for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the capital assets.

Pension plan:

The Society is a member of a multi-employer defined benefit pension plan; consequently, it is accounted for as a defined contribution plan and contributions are expensed on an accrual basis.

(f) Use of estimates:

The preparation of financial statements in conformity with the disclosed method of accounting requires management to make estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting year. In particular, the following contain estimates: the collectability of accounts receivable, useful lives of capital assets and accrued liabilities. Actual results could differ from those estimates.

(g) Newly adopted accounting standards:

The following standards which were effective as at March 31, 2023, were previously adopted by the Society and did not have a significant impact on the financial statements as at March 31, 2023:

PS 3280, Asset Retirement Obligations; PS 1201, Financial Statement Presentation; PS 3450, Financial Instruments; PS 2601, Foreign Currency Translation; and PS 3041, Portfolio Investments.

1. Significant accounting policies (continued):

(h) Future accounting pronouncements:

These standards and amendments were not effective for the year ended March 31, 2023, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

(i) PS 3400, Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. This section is effective for fiscal years beginning on or after April 1, 2023.

(ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023.

2. Pension plan costs:

Substantially all employees of the Society are eligible to be members of the Ontario Municipal Employees Retirement System, a multi-employer final average pay contributory plan. In 2023, the Society was required to make employer contributions at 9% for earnings up to Yearly Maximum Pensionable Earnings ("YMPE") and 14.6% for earnings above YMPE (no change in employer contribution requirement from 2022). Employer contributions made to the plan from April 1, 2022 to March 31, 2023 by the Society amounted to $3,310,100 (2022 - $3,139,455).

The most recent actuarial valuation of the plan as at December 31, 2020 indicates the plan is not fully funded and the plan's December 31, 2022 financial statements indicate a deficit of $6.7 billion (2021 - $3.1 billion). The plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the plan assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Society's share of the plan's unfunded liability is not determinable. However, in 2022, the Society's contributions accounted for 0.15% of the plan's total employer contributions. Additional contributions, if any, required to address the Society's proportionate share of the deficit will be expensed during the period incurred.

3. Accounts receivable:

	2023	2022
Canada Revenue Agency - Harmonized Sales Tax	$ 667,138	$ 660,517
The Ministry - customary care one-time funding	–	3,469
The Ministry - Continued Care and Support for Youth ("CCSY") aged out funding	75,650	189,125
The Ministry - Lead Agency Fund for OPR and OPR FC	–	–
The Ministry - Standard Subsidy	31,825	4,275
The Ministry - Kinship Service Start up and Episodic Support	163,477	78,928
The Ministry - Approved Balance Budget Fund for Year	282,764	711,760
The Ministry - Approved Budget Prior Year	59,409	–
The Ministry - Contingency Plan Funding	–	53,630
Other	188,401	172,662
The Children's Aid Foundation of Ottawa (note 12)	33,082	52,969
	$ 1,501,746	$ 1,927,335

4. Ontario Child Benefit Equivalent Fund:

In June 2009, the Ministry announced new funding equivalent to the Ontario Child Benefit to provide opportunities for all children and youth in care, up to 17 years of age, to participate in recreational, educational, cultural and social activities consistent with their plans of care and to establish a savings program for youth in care, for those 15 to 17 years of age, that will support their achievement of higher resiliency, educational success and smoother transition to adulthood. The current year results for both activities and savings program are included with the Society's special projects in schedule 1.

5. Universal Child Care Benefits ("UCCB") and Registered Educational Savings Plan ("RESP") held for others:

The Ministry has requested that a designated portion of the Children's Special Allowance received by the Society from the Canada Revenue Agency on behalf of children in Interim Society Care longer than 12 months or Extended Society Care be used to establish RESPs for these children. RESPs held with Royal Bank of Canada are shown as restricted cash on the statement of financial position. As at March 31, 2023, $3,559,544 (2022 - $3,439,451) was being held either in cash within established RESPs.

6. Capital assets:

2023	Cost	Accumulated amortization	Net book value
Land	$ 2,930,775	$ –	$ 2,930,775
Buildings	18,529,135	9,715,634	8,813,501
Parking lot	405,312	405,312	–
Playground and outdoor visitor area	365,724	345,115	20,609
Furniture and equipment	3,535,090	3,138,689	396,401
Leasehold improvements	246,211	246,211	–
Automotive equipment	124,584	115,657	8,927
Computer hardware and software	5,190,349	4,677,594	512,755
	$ 31,327,180	$ 18,644,212	$ 12,682,968

2022	Cost	Accumulated amortization	Net book value
Land	$ 2,930,775	$ –	$ 2,930,775
Buildings	18,529,135	9,252,501	9,276,634
Parking lot	405,312	405,312	–
Playground and outdoor visitor area	365,724	335,547	30,177
Furniture and equipment	3,343,962	3,053,334	290,628
Leasehold improvements	246,211	246,211	–
Automotive equipment	124,584	106,731	17,853
Computer hardware and software	5,351,493	4,916,274	435,219
	$ 31,297,196	$ 18,315,910	$ 12,981,286

Capital asset additions during the year were $594,028 (2022 - $1,295,199).

7. Bank indebtedness:

The Society has access to a bank credit facility that bears interest at prime rate and is secured by a general security agreement. The maximum authorized amount is $3,000,000, renewable annually. The Society has not drawn any funds from the facility in 2023 (2022 - nil). The Society did not incur interest expense in 2023 (2022 - nil).

8. Accounts payable and accrued liabilities:

	2023	2022
Payroll remittances	$ 1,001,330	$ 929,604
Accounts payable and accrued liabilities - other	8,353,001	8,135,793
Surplus payable to Ministry	2,070	2,070
Special project payable to the Ministry (Schedule 1)	1,730,332	1,921,440
Amount paid to Family and Children's Services of Frontenac Lennox ("FACSFLA") as per Ministry's instructions	(775,000)	–
	$ 10,311,733	$ 10,988,907

As per the request of the Ministry, the Society transferred $775,000 to FACSLA in 2023. The $1,730,332 special project amount payable to the Ministry was correspondingly reduced by this amount, as approved by the Ministry.

9. Deferred capital contributions:

In 1993, the Society received contributions of $11,260,000 from the Province of Ontario and Region of Ottawa-Carleton toward the purchase of its Telesat Court location. This amount is being recognized in the Property and Building Fund as revenue on a basis consistent with the amortization of this building at an annual rate of 2.5%. In 2012, the Society received $100,000 from its staff Recreation Association and $300,000 from the Province of Ontario towards building improvements, which are being amortized at an annual rate of 2.5%. In 2019, the Society received $627,900, and $86,100 in 2020 from the Province of Ontario towards building improvements, which are being amortized at an annual rate of 2.5%.

9. Deferred capital contributions (continued):

The changes in the deferred capital contributions reported in the Property and Building Fund are as follows:

	2023	2022
Balance, beginning of year	$ 3,965,691	$ 4,274,791
Amounts amortized to revenue	(309,100)	(309,100)
	$ 3,656,591	$ 3,965,691

10. Contingencies:

The Society has been named, with others, as defendants in claims for damages relating to its mandated work, the outcome of which cannot be determined at this time. The Society believes it has adequate defense against these actions and insurance coverage to defray costs associated with any losses; as such, no provision for loss arising from these claims has been made in these financial statements. Any loss not covered by insurance will be expensed in the year of settlement.

11. Lease commitments:

The Society rents premises under a long-term operating lease, which expires February 28, 2024, with an option to renew for an additional five-year term. It is the intention of the Society not to renew upon expiration. During the year, the Society also entered into a three-year lease of IT equipment. The minimum lease payments payable over the next three years and thereafter are as follows:

	Premises	Equipment
2024	$ 175,995	$ 353,096
2025	–	353,096
2026 and thereafter	–	235,397
	$ 175,995	$ 941,589

12. Related party transactions:

The Children's Aid Foundation of Ottawa (the "Foundation") was incorporated on June 30, 1988 as a not-for-profit organization under the Corporations Act (Ontario) and is a registered charity under the Income Tax Act (Canada). Transactions between the related parties are in the normal course of operations and recorded at the exchange amount, which is the amount of the consideration agreed to by both parties.

The Foundation is responsible for raising additional funds for the activities of the Society over and above the current revenue that it receives from the Ministry and the City of Ottawa.

The Society received contributions from the Foundation of $60,023 (2022 - $50,000) in 2023.

The Society provides certain administrative and other services to the Foundation at no cost. As well, the Society pays for certain expenses on behalf of the Foundation for which it is reimbursed at cost. The Society has a receivable of $33,082 from the Foundation in the current year (2022 - $52,969).

13. Guarantees:

The Society makes commitments to its foster parents and external service providers in order to guarantee the provision of residential care for children. These agreements generally involve a commitment by the Society to pay a daily amount to a care provider to ensure that space is available in the event that an emergency placement should occur. If the spaces are used for placements, the Society incurs no additional cost. The Society's agreement with these care providers enables the Society to terminate these arrangements on up to six months' notice.

14. Balanced Budget Fund and future access to surpluses:

The Ministry created the Balanced Budget Fund to support Children's Aid Societies in meeting the balanced budget requirements outlined in the Ministry's Regulation 70.

The Balanced Budget Fund process has been developed individually for each Children's Aid Society and will reflect the accumulated surplus that was returned to the Ministry each year.

To be eligible to access these funds, the Society must meet two conditions:

(i) The Society must have generated a prior-year surplus recovered in or after 2018-2019; and

(ii) The Society must require additional funding in a future year for child welfare operations in order that they will not incur a deficit. The required amount cannot exceed the total accumulated Balanced Budget Fund surplus.

During the year, the Society's deficit of $282,764 (2022 - deficit $711,760) is approved to be recovered by the Ministry of Children, Community and Social Services ("MCCSS") from the Society's Balanced Budget Fund. The MCCSS also approved $59,409 to recover deficit of 2022 in addition to $711,760 approved during 2022.

Moving forward, the Society will maintain the accessible contribution amount only in the notes to the audited financial statements.

Management expects that the amount receivable from MCCSS will be collectible in future when the above conditions are met.

		Approved withdrawals		
Contribution withdrawal year	Contribution	2022-2023	Expires	Accessible contributions remaining
2018-2019	$ –	$ –	2021-2022	$ –
2019-2020	318,346	318,346	2022-2023	–
2020-2021	23,827	23,827	2023-2024	–
	$ 342,173	$ 342,173		$ –

15. Deferred salary plan:

The Society offers employees a deferred salary option plan. An employee opting into the plan is paid 80% of their salary for four years while working, and in the fifth year, while on leave, receives 80% of their salary. In the first four years, the Society accumulates on an annual basis a deferred liability equal to 20% of the employee's annual salary. In the fifth year, this deferred liability is drawn down as it is paid to the employee. As at March 31, 2023, two employees were on the plan for a total liability of $69,322 (2022 - $41,103).

16. COVID-19:

(a) COVID-19 operating fund impact:

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, which continued to spread throughout Canada and the world. On March 17, 2020, the Premier of Ontario declared a state of emergency and issued an order to close all non-essential businesses until further notice. As a provider of children's protective services under the Child, Youth and Family Services Act, the Society is deemed to be an essential service. Nonetheless, out of concern for its workers and pursuant to provincial directives, the Society has adapted its work to perform non-critical face-to-face visits and other direct service and indirect administrative services with staff telecommuting from home. Critical work requiring face-to-face visits, such as above-the-line investigations, admissions to care and supports to internal caregivers necessary to maintain placement stability, are being conducted following public health guidelines and ensuring that staff wear personal protective equipment.

During the year ended March 31, 2023, the Society incurred the following expenditures directly related to the pandemic within the operating fund:

Building occupancy - cleaning supplies and services	$ 85,151
Boarding rate payment - pandemic support for internal care providers	1,861
Boarding rate payment - pandemic support for youth living independently	3,300
Boarding rate payment - pandemic support for CCSY aged out	1,614,268
Client's personal needs - pandemic support for kinship service providers	574
Client's personal needs - education and conferences	85,025
Client's personal needs - pandemic support and relief	21,478
Office administration - personal protective equipment	6,037
	$ 1,817,694

16. COVID-19 (continued):

(b) COVID-19 special projects impact:

In December 2020, the Society entered an agreement with MCCSS to be a Lead Agency for the purpose of flowing Temporary Wage Enhancement ("TWE") funds to OPRs across the province. The TWO Program matured into Permanent Compensation Enhancement Program ("PCEP") on April 21, 2022.

Within the MCCSS-funded sectors, the goal of TWE and PCEP funds is to provide additional support and relief to frontline workers and help maintain safe staffing levels and the operation of critical services. The funding is limited to frontline workers within residential/congregate care settings or those working directly with vulnerable populations, in home or community care settings where maintaining physical distancing is not possible.

The Lead Agency will receive OPR reconciliation report-backs of data used to reconcile total eligible expenses incurred for the period against the payments flowed to OPRs based on the initial and subsequent application submitted by OPRs to the Society.

Total amount of TWE funding received is $3,000,000 during the year ended March 31, 2023 (2022 - $30,600,000) and total funding for PCEP is $27,853,066 (2022- nil).

Expenses related to each project include personnel and other expenses that are directly related to providing services to those projects. Operating costs from functions such as administration, finance, human resources, communications and marketing are allocated to projects based on specific activities and are recorded on lower of actual and approved budgeted amounts.

17. Financial instruments and risk management:

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations.

The Society does not use derivative financial instruments to manage its risks.

17. Financial instruments and risk management (continued):

(a) Credit risk:

The Society is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Society's maximum exposure to credit risk is the sum of the carrying value of its cash and its receivables. The Society's cash is deposited with a Canadian chartered bank and as a result, management believes the risk of loss on this item to be remote. A significant portion of the Society's revenue and resulting receivable balances are derived from government funding, which mitigates the exposure to the credit risk. Other receivables are monitored on an ongoing basis.

The Society assesses, on a continuous basis, amounts 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. Currently there is no allowance for doubtful accounts.

(b) Liquidity risk:

Liquidity risk is the risk that the Society cannot meet a demand for cash or fund its obligations as they become due. The Society meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipated investing and financing activities and by holding assets that can be readily converted into cash.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of currency risk, interest rate risk and other price risk.

17. Financial instruments and risk management (continued):

(i) Currency risk:

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Society's financial instruments are all denominated in Canadian dollars and the Society transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

(ii) Interest rate risk:

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates. Fixed-rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to a cash flow risk. Since, the Society does not have any interest-bearing financial instruments as at March 31, 2023, it is not exposed to interest rate risk.

(iii) Other price risk:

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of the changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instruments or its issuer or factors affecting all similar instruments traded in the market. The Society is not exposed to other price risk.

(d) Changes in risk:

There have been no significant changes in the Society's risk exposures from the prior year.

18. Comparative information:

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

THE CHILDREN'S AID SOCIETY OF OTTAWA/ LA SOCIÉTÉ DE L'AIDE À L'ENFANCE D'OTTAWA

Schedule 1 - Restricted Contributions - Special Projects

Year ended March 31, 2023, with comparative information for 2022

		2022	Transactions during the year		2023
	Project's fiscal year-end	Unexpended contributions	Contributions received	Contributions recognized as revenue	Unexpended contributions
Ministry-funded generic projects (schedule 2):					
Preparation for Independence (A 556)	March 31	$ –	$ 132,728	$ 132,728	$ –
Community Capacity Building (A 771)	March 31	–	156,960	156,960	–
Education Liaison (A 763)	March 31	–	223,015	223,015	–
Temporary Pandemic Pay OPR (E721)	March 31	231,698	–	–	231,698
Temporary Pandemic Pay OPR FC (E721)	March 31	123,515	–	–	123,515
Temporary Wage Enhancement (E721)	March 31	1,566,227	3,000,000	4,156,299	409,928
Permanent Compensation Enhancement	March 31	–	27,853,066	26,927,127	925,939
Complex Special Needs	March 31	–	51,499	12,247	39,252
Other projects:					
Crown Ware Championship Team	March 31	–	67,486	67,486	–
Winning Kids (Eastern Zone)	October 31	8,753	–	–	8,753
Ontario Child Benefit Equivalent					
Pooled fund:					
Activities program	March 31	235,209	220,414	312,724	142,899
Savings program	March 31	531,663	122,548	168,386	485,825
Wendy's Wonderful Kids	June 30	4,484	15,204	19,688	–
Community Doula Program	March 31	–	10,000	3,910	6,090
		2,701,549	31,852,920	32,180,570	2,373,899
Less payable to the Ministry (note 8)		(1,921,440)			(1,730,332)
		$ 780,109			$ 643,567

Within the next 12 months, management intends on remitting the unexpended contributions to the Ministry, with respect to the following programs; Temporary Pandemic Pay OPR (E721), Temporary Pandemic Pay OPR FC (E721), and Winning Kids (Eastern Zone).

THE CHILDREN'S AID SOCIETY OF OTTAWA/
LA SOCIÉTÉ DE L'AIDE À L'ENFANCE D'OTTAWA

Schedule 2 - Ministry-Funded Generic Projects

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Preparation for Independence (A 556)		
Contributions recognized as revenue	$ 132,728	$ 132,728
Expenditures:		
Salaries and benefits	132,388	132,728
Travel	340	–
	132,728	132,728
Unexpended contributions	$ –	$ –
Community Capacity Building (A 771)		
Contributions recognized as revenue	$ 156,960	$ 111,960
Expenditures:		
Purchased Client Services	156,960	111,960
Unexpended contributions	$ –	$ –
Education Liaison (A 763)		
Contributions recognized as revenue	$ 223,015	$ 123,015
Expenditures:		
Salaries and benefits	85,622	–
Professional contracted out services	137,393	123,015
	223,015	123,015
Unexpended contributions	$ –	$ –
Temporary Wage Enhancement (E721)		
Contributions received	$ 3,000,000	$ 30,600,000
Expenditures:		
Salaries and benefits	–	455,440
Professional services, non-client	–	144,560
Program expenses	4,156,299	28,433,773
	4,156,299	29,033,773
Unexpended contributions outstanding	(1,566,227)	–
Unexpended contributions	$ 409,928	$ 1,566,227

THE CHILDREN'S AID SOCIETY OF OTTAWA/ LA SOCIÉTÉ DE L'AIDE À L'ENFANCE D'OTTAWA

Schedule 2 - Ministry-Funded Generic Projects (continued)

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Permanent Compensation Enhancement		
Contributions received	$ 27,853,066	$ –
Expenditures:		
Salaries and benefits	590,333	–
Professional services, non-client	262,733	–
Program expenses	26,074,061	–
	26,927,127	–
Unexpended contributions	$ 925,939	$ –
Complex Special Needs		
Contributions received	$ 51,499	$ –
Expenditures:		
Financial assistance	12,247	–
Unexpended contributions	$ 39,252	$ –