

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, 2025

**KPMG LLP**

Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

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, 2025
- 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, 2025, 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.



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.



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- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. A horizontal line is drawn underneath the signature, starting from the left and extending to the right, ending with a small upward tick.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 26, 2025

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

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 8,665,931	\$ 3,699,250
Accounts receivable (note 3)	1,232,291	2,102,941
Prepaid expenses	397,898	586,516
	<u>10,296,120</u>	<u>6,388,707</u>
Restricted cash for Non-Registered Education Savings (note 5)	782,541	720,923
Loan receivable	93,982	98,320
Capital assets (note 6)	11,814,337	12,024,297
	<u>\$ 22,986,980</u>	<u>\$ 19,232,247</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 13,445,746	\$ 8,981,123
Accrued vacation pay	1,668,108	1,421,452
Restricted contributions - special projects (Schedule 1)	557,123	575,669
Deferred salary liability (note 14)	45,251	60,988
	<u>15,716,228</u>	<u>11,039,232</u>
RESPs held for others (note 5)	782,541	720,923
Deferred capital contributions (note 9)	3,127,938	3,404,528
	<u>19,626,707</u>	<u>15,164,683</u>
Net assets	3,360,273	4,067,564
Contingencies (note 10)		
Guarantees (note 12)		
Economic dependence (note 15)		
	<u>\$ 22,986,980</u>	<u>\$ 19,232,247</u>

See accompanying notes and schedules to financial statements.

On behalf of the Board:

_____ Director

_____ 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, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Government funding - Ministry of Children, Community and Social Services of Ontario (the "Ministry"):		
Operating grants	\$ 70,035,417	\$ 68,206,101
Gain on disposals of assets	811,326	—
Targeted subsidy funding	385,538	427,972
One-Time Accumulated Deficit Assistance	—	391,530
Expenditure recoveries and other revenue	5,741,215	6,165,009
Amortization of deferred capital contributions (note 9)	311,434	310,563
	77,284,930	75,501,175
Restricted contributions - special projects (Schedules 1 and 2)	42,614,286	32,371,162
	119,899,216	107,872,337
Expenses:		
Salaries and wages	31,899,083	32,861,589
Boarding rate payments	27,144,064	25,598,954
Benefits	7,703,074	8,342,906
Targeted adoption and legal custody subsidy	1,612,925	1,762,715
Clients' personal needs	1,303,700	1,402,514
Amortization of capital assets	1,128,754	980,722
Building occupancy	1,059,234	1,439,942
Professional services, non-case	919,687	844,316
Adoption subsidy	889,089	1,153,979
Office administration	831,006	565,645
Direct service travel	767,511	900,603
Other	725,244	790,134
Technology	570,419	589,961
Financial assistance	400,585	545,814
Professional services, case	361,824	289,115
Health and related	316,825	330,504
Kinship Service Episodic Support	132,750	133,750
Education and conferences	88,950	198,088
Kinship Service Placement Startup	56,449	62,984
Travel - administration	45,757	29,934
Promotion and publicity	30,767	70,378
Program expenses	4,524	5,894
	77,992,221	78,900,441
Special projects (Schedules 1 and 2)	42,614,286	32,371,162
	120,606,507	111,271,603
Deficiency of revenue over expenses before the following	(707,291)	(3,399,266)
Net assets, beginning of year	4,067,564	7,466,830
Net assets, end of year	\$ 3,360,273	\$ 4,067,564

See accompanying notes and schedules 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, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (707,291)	\$ (3,399,266)
Items not involving cash:		
Amortization of capital assets	1,128,754	980,722
Amortization of deferred capital contributions	(311,434)	(310,563)
Change in non-cash operating working capital:		
Accounts receivable	870,650	(601,195)
Loan receivable	4,338	(14,415)
Prepaid expenses	188,618	380,600
Restricted contributions - special projects	(18,546)	(67,898)
Accounts payable and accrued liabilities	4,464,623	(1,330,610)
Accrued vacation pay	246,656	79,646
Deferred salary liability	(15,737)	(8,334)
	5,850,631	(4,291,313)
Investing activities:		
Purchase of capital assets	(1,482,472)	(322,051)
Receipt of capital contributions deferred	34,844	58,500
Proceeds asset disposal	563,678	—
	(883,950)	(263,551)
Increase (decrease) in cash	4,966,681	(4,554,864)
Cash, beginning of year	3,699,250	8,254,114
Cash, end of year	\$ 8,665,931	\$ 3,699,250

See accompanying notes and schedules to financial statements.

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

Notes to Financial Statements

Year ended March 31, 2025

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.

Revenue from transactions with performance obligations is recognized when (or as) the Society satisfies a performance obligation by providing the promised goods or services to a payor.

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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

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

Revenue from transactions with no performance obligations is recognized when the Society:

- (i) has the authority to claim or retain an inflow of economic resources; and
- (ii) identifies a past transaction or event that gives rise to an asset.

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.

(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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(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	Lesser of lease term or useful life
Automotive equipment	4 years
Computer hardware and software	1 - 4 years

(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.

(f) 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.

(g) 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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued)

(h) Future accounting pronouncements:

These standards and amendments were not effective for the year ended March 31, 2025, 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.

The standards applicable for fiscal years beginning on or after April 1, 2025.

- (i) PS 1202, Financial Statement Presentation, was approved in March 2023. This standard supersedes PS 1201, Financial Statement Presentation, and covers a new conceptual framework and reporting model. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026.
- (ii) PS 3251, Employee Benefits, will replace the current section PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

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 2024, 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 2023). Employer contributions made to the plan from April 1, 2024 to March 31, 2025 by the Society amounted to \$3,186,934 (2024 - \$3,428,063).

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Pension plan costs (continued):

The most recent actuarial valuation of the plan as at December 31, 2023 indicates the plan is not fully funded and the plan's December 31, 2024 financial statements indicate a deficit of \$4.3 billion (2023 - \$7.6 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 2024, the Society's contributions accounted for 0.06% (2023 - 0.07%) 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:

	2025	2024
Canada Revenue Agency - harmonized sales tax	\$ 786,728	\$ 610,148
Other	407,038	1,405,236
The Children's Aid Foundation of Ottawa (note 12)	38,525	29,057
The Ministry - capital grant	—	58,500
	<u>\$ 1,232,291</u>	<u>\$ 2,102,941</u>

Within other is \$99,542 refundable to CASO, as a result of fundings advanced and not expended by Outside Paid Resource ("OPR") organizations, in accordance with the approved terms and conditions of the Permanent Compensation Enhancement Program.

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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

5. 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.

	2025	2024
Non-registered education savings held in cash	\$ 782,541	\$ 720,923

Additional RESPs held with a chartered bank (Royal Bank of Canada) that are not recorded in the financial statements and where the Society takes the responsibility of managing and monitoring these funds is as follows:

	2025	2024
RESPs held with RBC	\$ 3,096,330	\$ 3,027,953

6. Capital assets:

2025	Cost	Accumulated amortization	Net book value
Land	\$ 2,821,775	\$ —	\$ 2,821,775
Buildings	18,250,615	10,339,378	7,911,237
Parking lot	405,312	405,312	—
Playground and outdoor visitor area	365,725	364,249	1,476
Furniture and equipment	3,597,054	3,282,840	314,214
Leasehold improvements	246,211	246,211	—
Automotive equipment	261,303	184,284	77,019
Computer hardware and software	6,310,069	5,621,453	688,616
	\$ 32,258,064	\$ 20,443,727	\$ 11,814,337

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Capital assets (continued):

2024	Cost	Accumulated amortization	Net book value
Land	\$ 2,930,775	\$ —	\$ 2,930,775
Buildings	18,587,635	10,180,327	8,407,308
Parking lot	405,312	405,312	—
Playground and outdoor visitor area	365,724	354,683	11,041
Furniture and equipment	3,587,060	3,229,241	357,819
Leasehold improvements	246,211	246,211	—
Automotive equipment	226,664	150,103	76,561
Computer hardware and software	5,299,850	5,059,057	240,793
	\$ 31,649,231	\$ 19,624,934	\$ 12,024,297

Capital asset additions during the year were \$1,482,471 (2024 - \$322,051).

7. Credit Facility:

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 2025 (2024 - nil). The Society did not incur interest expense in 2025 (2024 - nil).

8. Accounts payable and accrued liabilities:

	2025	2024
Accounts payable and accrued liabilities	\$ 10,375,245	\$ 6,335,454
Special project payable to the Ministry (Schedule 1)	2,539,843	1,730,332
Payroll remittances	530,658	915,337
	\$ 13,445,746	\$ 8,981,123

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

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 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%. In 2024, the Society received \$58,500 for water and fire protection system upgrades, which is also being amortized at 2.5%. In 2025, the Society received \$34,844 for electrical work upgrades, which is also being amortized at 2.5%.

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

	2025	2024
Balance, beginning of year	\$ 3,404,528	\$ 3,656,591
Receipt of capital contributions deferred	34,844	58,500
Amortization of deferred capital contributions	(311,434)	(310,563)
Balance, end of year	\$ 3,127,938	\$ 3,404,528

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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

11. 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 \$317,449 (2024 - \$226,736) in 2025. Included in Restricted contributions - special projects.

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 \$38,525 from the Foundation in the current year (2024 - \$29,057).

12. 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.

13. 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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

13. Balanced Budget Fund and future access to surpluses (continued):

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 2020-2021; 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.

The Society does not have any eligible unused surpluses to access as at March 31, 2025, given any unused surpluses accumulated in the previous three fiscal years have been utilized.

14. Deferred salary liability:

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, 2025, one employees were on the plan for a total liability of \$45,251 (2024 - \$60,988).

15. Economic dependence:

The Society is dependent on funding from the Province of Ontario (Ministry of Children, Community and Social Services ("MCCSS")) to meet its obligations and to finance its continued operations.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

16. 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.

(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, 2025 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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2025

16. 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, 2025, 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 amounts:

Certain prior year's comparative figures have been reclassified where necessary to conform to the current year's presentation.

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, 2025, with comparative information for 2024

		2024	Transactions during the year		2025
	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	\$ —	\$ 465,592	\$ 465,592	\$ —
Community Capacity Building (A 771)	March 31	—	114,376	114,376	—
Education Liaison (A 763)	March 31	—	125,913	125,913	—
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	409,928	—	—	409,928
Permanent Compensation Enhancement	March 31	925,939	41,628,062	40,818,551	1,735,450
Complex Special Needs	March 31	39,252	—	—	39,252
Other projects:					
Crown Ward Championship Team	March 31	—	67,499	67,499	—
Winning Kids (Eastern Zone)	October 31	8,753	—	—	8,753
Ontario Child Benefit Equivalent					
Pooled fund:					
Activities program	March 31	—	247,069	247,069	—
Savings program	March 31	549,680	174,705	178,515	545,870
Community Doula Program	March 31	17,236	—	14,736	2,500
Transitional Age Youth	March 31	—	582,035	582,035	—
		2,306,001	43,405,251	42,614,286	3,096,966
Less payable to the Ministry (note 8)		(1,730,332)			(2,539,843)
		\$ 575,669			\$ 557,123

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), Temporary Wage Enhancement (E721), Permanent Compensation Enhancement, Complex Special Needs, 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, 2025, with comparative information for 2024

	2025	2024
Preparation for Independence (A 556)		
Contributions recognized as revenue	\$ 465,592	\$ 341,728
Expenditures:		
Salaries and benefits	135,236	138,475
Travel	356	390
Program expenses	330,000	202,863
	465,592	341,728
Unexpended contributions	\$ —	\$ —
Community Capacity Building (A 771)		
Contributions recognized as revenue	\$ 114,376	\$ 221,960
Expenditures:		
Purchased Client Services	114,376	221,960
Unexpended contributions	\$ —	\$ —
Education Liaison (A 763)		
Contributions recognized as revenue	\$ 125,913	\$ 123,015
Expenditures:		
Salaries and benefits	—	—
Professional contracted out services	125,913	123,015
	125,913	123,015
Unexpended contributions	\$ —	\$ —
Temporary Wage Enhancement (E721)		
Contributions received	\$ —	\$ —
Expenditures:		
Salaries and benefits	—	—
Professional services, non-client	—	—
Program expenses	—	—
	—	—
Unexpended contributions outstanding	(409,928)	(409,928)
Unexpended contributions	\$ 409,928	\$ 409,928

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, 2025, with comparative information for 2024

	2025	2024
Permanent Compensation Enhancement		
Contributions received	\$ 41,628,062	\$ 30,900,000
Expenditures:		
Salaries and benefits	719,076	684,690
Professional services, non-client	233,924	268,310
Program expenses	39,865,551	29,947,000
	40,818,551	30,900,000
Unexpended contributions outstanding	(925,939)	(925,939)
Unexpended contributions	\$ 1,735,450	\$ 925,939
Complex Special Needs		
Contributions received	\$ —	\$ 45,021
Expenditures:		
Financial assistance	—	45,021
Unexpended contributions outstanding	—	(39,252)
	—	5,769
Unexpended contributions outstanding	\$ —	\$ 39,252