

Financial Statements of

**CHILDREN'S AID SOCIETY
OF ALGOMA**

Year ended March 31, 2024

CHILDREN'S AID SOCIETY OF ALGOMA

Financial Statements

Year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Children's Aid Society of Algoma

Opinion

We have audited the financial statements of the Children's Aid Society of Algoma (the Society), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net (debt) 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, 2024 and its results of operations, its changes in net (debt) 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.



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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Society has a working capital deficiency and a net debt position as a result of current and prior years' deficiencies of revenues over expenses.

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

Our opinion is not modified in respect of this matter.

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.



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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

Sault Ste. Marie, Canada

June 17, 2024

CHILDREN'S AID SOCIETY OF ALGOMA

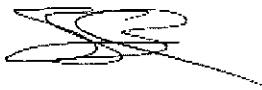
Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ -	\$ 19,021
Accounts receivable (note 4)	148,666	135,015
Prepaid expenses	37,256	37,256
Due from Ministry of Children, Community and Social Services	60,207	1,540,479
	246,129	1,731,771
Capital assets (note 5)	1,702,638	1,736,630
Restricted:		
Cash and investments held in trust (note 13)	2,600,414	2,485,193
	\$ 4,549,181	\$ 5,953,594
Liabilities, Deferred Contributions and Net (Debt) Assets		
Current liabilities:		
Bank indebtedness	\$ 16,059	\$ -
Line of credit (note 6)	570,000	605,000
Accounts payable and accrued liabilities (note 7)	2,274,002	1,967,504
Deferred contributions (note 8)	22,352	22,352
Current portion of long term debt (note 10)	6,133	5,627
	2,888,546	2,600,483
Deferred capital contributions (note 9)	556,196	585,470
Restricted funds held in trust (note 13)	2,382,734	2,236,389
Long-term debt (note 10)	44,046	52,223
	5,871,522	5,474,565
Net (debt) assets:		
Unrestricted deficiency	(2,636,282)	(863,085)
Investment in capital assets (note 11)	1,096,263	1,093,310
Restricted funds (note 13)	217,678	248,804
	(1,322,341)	479,029
Basis of presentation (note 1)		
	\$ 4,549,181	\$ 5,953,594

The accompanying notes are an integral part of these financial statements.

Approved:



President, Sean Sparling



Treasurer, Marc Coletti

CHILDREN'S AID SOCIETY OF ALGOMA

Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Province of Ontario	\$ 18,910,339	\$ 18,407,828
Other	1,158,619	1,459,241
Donations	5,508	7,773
Amortization of deferred capital contributions	29,274	30,814
Total revenue	20,103,740	19,905,656
Expenses:		
Salaries	9,205,835	9,455,071
Boarding rate payments	6,465,440	4,289,225
Employee benefits	2,715,947	2,743,183
Client's personal needs	608,152	652,092
Building occupancy	916,043	812,038
Transportation	441,849	432,769
Emergency assistance	566,281	557,603
Purchased services - case related	511,323	266,909
Technology	559,575	198,465
Office	197,241	186,336
Program	367,407	742,026
Miscellaneous	47,811	80,670
Health services	209,190	247,233
Amortization of capital assets	81,889	80,249
Training and recruiting	83,635	71,280
Scholarships and RESPs	15,750	11,250
Purchased services - non-case related	84,317	201,471
Interest on long-term debt	3,836	-
Promotion and publicity	9,587	7,643
Total expenses	23,091,108	21,035,513
Deficiency of revenue over expenses before undernoted	(2,987,368)	(1,129,857)
Deficit relief funding	1,185,998	1,368,760
(Deficiency) excess of revenue over expenses	\$ (1,801,370)	\$ 238,903

The accompanying notes are an integral part of these financial statements.

CHILDREN'S AID SOCIETY OF ALGOMA

Statement of Change in Net (Debt) Assets

Year ended March 31, 2024, with comparative information for 2023

2024	Unrestricted	Investment in capital assets	Restricted funds	Total
Balance, beginning of year	\$ (863,085)	\$ 1,093,310	\$ 248,804	\$ 479,029
Deficiency of revenue over expense	(1,717,629)	(52,615)	(31,126)	(1,801,370)
Net change in investment in capital assets (note 11)	(55,568)	55,568	-	-
Balance, end of year	\$ (2,636,282)	\$ 1,096,263	\$ 217,678	\$ (1,322,341)

2023	Unrestricted	Investment in capital assets	Restricted funds	Total
Balance, beginning of year	\$ (1,115,400)	\$ 1,112,114	\$ 243,412	\$ 240,126
Excess (deficiency) of revenue over expense	282,946	(49,435)	5,392	238,903
Net change in investment in capital assets (note 11)	(30,631)	30,631	-	-
Balance, end of year	\$ (863,085)	\$ 1,093,310	\$ 248,804	\$ 479,029

The accompanying notes are an integral part of these financial statements

CHILDREN'S AID SOCIETY OF ALGOMA

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from operating activities:		
(Deficiency) excess of revenue over expenses	\$ (1,801,370)	\$ 238,903
Adjustments for:		
Amortization of deferred capital contributions	(29,274)	(30,814)
Amortization of tangible capital assets	81,889	80,249
	<u>(1,748,755)</u>	<u>288,338</u>
Change in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(13,651)	66,593
Increase in prepaid expenses	-	(1)
Increase (decrease) in due to trust funds	146,345	(55,735)
Decrease (increase) in due from		
Ministry of Children, Community and Social Services	1,480,272	(973,913)
Increase (decrease) in accounts payable and accrued liabilities	306,498	(107,495)
Increase in deferred revenue	-	882
	<u>170,709</u>	<u>(781,331)</u>
Cash flow from financing activities:		
Principal payments on long term debt	(7,671)	(13,563)
(Repayments of) advances from line of credit	(35,000)	605,000
	<u>(42,671)</u>	<u>591,437</u>
Cash flow from capital activities:		
Purchase of capital assets	(47,897)	(17,068)
Increase (decrease) in cash and cash equivalents	80,141	(206,962)
Cash and cash equivalents, beginning of year	2,504,214	2,711,176
Cash and cash equivalents, end of year	<u>\$ 2,584,355</u>	<u>\$ 2,504,214</u>
Cash and cash equivalents is defined as follows:		
Cash	-	19,021
Cash and investments held in trust	2,600,414	2,485,193
Bank indebtedness	(16,059)	-
	<u>\$ 2,584,355</u>	<u>\$ 2,504,214</u>

The accompanying notes are an integral part of these consolidated financial statements.

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

The Children's Aid Society of Algoma (the "Society") is incorporated without share capital under the Ontario Business Corporations Act. The Society promotes the well-being of children in Algoma in a manner which reflects the community's standards and the intent of the related legislation under the Child and Family Services Act of Ontario. The Society is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes.

1. Basis of presentation:

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 working capital deficiency and a net debt position at March 31, 2024 as well as limited access to additional liquidity through the Society's existing line of credit.

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 (the "Ministry") 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 or other sources or that, if available, it can be obtained on terms favourable 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.

2. Significant accounting policies:

a) 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.

b) Revenue recognition:

The Society follows the deferral method of accounting for contributions.

Under the Child and Family Services Act of Ontario and regulations thereto, the Society is primarily funded by the Province of Ontario in accordance with budget arrangements established by the Ministry.

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

2. Significant accounting policies (continued):

b) Revenue recognition (continued):

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect for the year ended March 31, 2024.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.

Revenue is subject to review by the Ministry and adjustments, if any, arising therefrom will be reflected in the period in which such adjustments are so determined.

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.

Other revenue is recognized when the performance obligations are settled, when the goods are sold or the service is provided, the amounts can be reasonably estimated and collection is reasonably assured.

The Society is funded primarily by the Province of Ontario in accordance with funding policies established by the Ministry. Any excess of revenues over expenses earned during a fiscal year may be retained by the Society. There is currently no commitment by the Ministry to fund deficits incurred by the Society. Therefore, to the extent that deficits are incurred and not funded, future operations may be affected. The Ministry provides operating funding including base funding which is expected to be received on an annual basis, and special funding, which is non-recurring in nature, and consequently is unconfirmed for future years.

c) Cash:

Cash includes amounts deposited with a chartered bank.

d) Capital assets:

Capital assets are recorded at cost.

Capital assets are amortized on the declining-balance or straight-line basis using the following annual rates:

Buildings	5%
Computer equipment and computer equipment under capital lease	30%
Furniture and equipment	20%
Automotive equipment	30%

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

2. Significant accounting policies (continued):

e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments held in trust at fair value as they are managed and evaluated on a fair value basis. Unrealized changes in fair value are recognized as other revenue in the statement of operations for restricted trust funds.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

Long-term debt is recorded at cost.

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 a 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

All financial instruments are Level 1.

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

2. Significant accounting policies (continued):

f) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant estimates include the useful lives of capital assets and valuation of allowances for accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

g) Employee future benefits:

The Society is an employer member of the Ontario Municipal Employees Retirement Fund ("the Plan") which is a multi-employer, defined benefit pension plan. The Society has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

f) Funding settlements:

The Society receives the majority of its funding from the Ministry. The operations of the Society are therefore subject to audit by the Ministry with possible audit adjustments repayable to the Ministry.

Any adjustments required as a result of these audits will be made directly to net assets in the year amounts are determined.

3. 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.

4. Accounts receivable:

	2024	2023
Commodity tax rebate	\$ 104,802	\$ 84,490
Other accounts receivable	43,864	50,525
	<u>\$ 148,666</u>	<u>\$ 135,015</u>

There is no allowance for doubtful accounts.

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

5. Capital assets:

			2024
	Cost	Accumulated amortization	Net book value
Land	\$ 328,214	\$ –	\$ 328,214
Buildings	3,551,777	2,212,658	1,339,119
Furniture and equipment	745,552	724,715	20,837
Automotive equipment	228,554	226,988	1,566
Computer equipment	1,090,916	1,078,014	12,902
	\$ 5,945,013	\$ 4,242,375	\$ 1,702,638

			2023
	Cost	Accumulated amortization	Net book value
Land	\$ 328,214	\$ –	\$ 328,214
Buildings	3,503,879	2,142,178	1,361,701
Furniture and equipment	745,553	719,505	26,048
Automotive equipment	228,554	226,317	2,237
Computer equipment	1,090,916	1,072,486	18,430
	\$ 5,897,116	\$ 4,160,486	\$ 1,736,630

6. Operating line of credit:

The Society has a revolving Canadian dollar operating line of credit facility which is secured by a general security agreement on all assets of the Society. The total authorized amount on the credit facility is \$1,000,000, at an interest rate of prime plus 1.0%. The amount advanced and outstanding at March 31, 2024 was \$570,000 (2023 – \$605,000).

7. Accounts payable and accrued liabilities:

	2024	2023
Employee related	\$ 741,519	\$ 770,667
Government remittances	289,338	195,564
Trade	1,243,143	1,001,273
	\$ 2,274,000	\$ 1,967,504

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

8. Deferred contributions:

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

	2024	2023
Balance, beginning of year	\$ 22,352	\$ 22,352
Add: amounts received	14,000	14,000
Less: amounts amortized to revenue	(14,000)	(14,000)
Balance, end of year	\$ 22,352	\$ 22,352

9. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets.

	2024	2023
Balance, beginning of year	\$ 585,470	\$ 616,284
Less: amounts amortized to revenue	(29,274)	(30,814)
Balance, end of year	\$ 556,196	\$ 585,470

10. Long-term debt:

	2024	2023
10% Mortgage payable at \$884 monthly, including interest, maturing February 1, 2029	\$ 50,179	\$ 57,850
Less: current portion	(6,133)	(5,627)
	\$ 44,046	\$ 52,223

The 10% mortgage is secured by two residences owned by the Society with a net book value of \$245,131.

Subject to certain restrictions, portions of the principal and the interest are forgiven as follows:

- \$14,234 principal over the life of the mortgage as a Federal Capital contribution.
- \$198 per month as a Federal Interest Reduction Grant which results in an effective interest rate of 8%.

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

10. Long-term debt (continued):

Principal due on the long-term debt is as follows:

2025	\$	6,133
2026		6,685
2027		7,287
2028		7,942
2029		8,657

11. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2024	2023
Capital assets	\$ 1,702,638	\$ 1,736,630
Amounts financed by:		
Deferred capital contributions	(556,196)	(585,470)
Long-term debt	(50,179)	(57,850)
	\$ 1,096,263	\$ 1,093,310

(b) Change in net assets invested in capital assets is calculated as follows:

	2024	2023
Excess of revenues over expenses:		
Amortization of deferred capital contributions	\$ 29,274	\$ 30,814
Amortization of capital assets	(81,889)	(80,249)
	\$ (52,615)	\$ (49,435)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 47,897	\$ 17,068
Principal payments on long-term debt	7,671	13,563
	\$ 55,568	\$ 30,631

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

12. Pension plan:

The Society is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Society has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Society records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employment contributions to the Plan for past employee service.

OMERS provides pension services to almost half a million 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, 2023. The results of this valuation disclosed total going concern actuarial liabilities of \$136,185 million (December 31, 2022 -\$130,306 million) in respect of benefits accrued for service with total going concern actuarial net assets at that date of \$131,983 million (December 31, 2022 - \$123,628 million) indicating a going concern actuarial deficit of \$4,202 million (December 31, 2022 - \$6,678 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Society does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2024 was \$837,086 (2023 – \$888,968) for current service.

13. Restricted and funds held in trust:

Funds held in trust include the following:

	2024	2023
Funds held in trust	\$ 2,382,734	\$ 2,236,389
Restricted funds	217,678	248,804
	<u>\$ 2,600,412</u>	<u>\$ 2,485,193</u>

The Society receives Universal Child Care Benefits ("UCCB") funds from Canada Revenue Agency for children in care and establishes individual Registered Education Savings Plans ("RESPs") according to the Policy Directive from the Ministry. These funds are held by the Society until eligibility conditions required for opening a RESP are met. The RESP funds held are restricted, and are held until a RESP is established for each qualifying child. These amounts are included in cash in the Child Welfare Fund.

The Ontario child benefit equivalent ("OCBE") Savings and RESP funds held represent amounts for the benefit of children in care. OCBE Savings funds represents savings payable to youth in care. Savings are contributed for eligible youth to provide them with funds to assist with costs of basic needs upon leaving care.

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

13. Restricted and funds held in trust (continued):

The Society is responsible for the management and distribution of the RESPs. If a child cannot be found upon collapsing of the fund, earned funds are distributed to the remaining active RESP accounts.

The Restricted Fund represents Board of Directors restricted resources for education assistance and orphan trust purposes and such funds are not available for other purposes.

The activity of the funds held in trust accounts is as follows:

	OCBE	UCCB	RESP	Total
Balance, beginning of year	\$ 85,326	\$ 854,090	\$ 1,296,973	\$ 2,236,389
Contributions	162,103	120,020	–	282,123
Distributions	(176,796)	–	(55,297)	(232,093)
Transfers	–	(63,230)	63,230	–
Growth in funds	–	–	96,315	96,315
Balance, end of year	\$ 70,633	\$ 910,880	\$ 1,401,221	\$ 2,382,734

The activity of the restricted fund is as follows:

	2024	2023
Balance, beginning of year	\$ 248,804	\$ 243,412
Contributions	7,369	12,021
Scholarships	(15,750)	(11,250)
Distributions	(31,413)	–
Interest and other	8,668	4,621
Balance, end of year	\$ 217,678	\$ 248,804

14. Contingencies:

The Society is involved in certain legal matters and litigation, the outcome of which are not presently determinable. Accordingly, no provision has been made for losses, if any, in these financial statements. Should any loss result, such loss will be accounted for in the period in which it is determined.

Effective June 2019, the Province of Ontario enacted Bill 124 "Protecting a Sustainable Public Sector for future Generations Act, 2019". This legislation limited compensation increases to 1.0% per year for a three-year moderation period for both unionized and non-unionized employees in the Ontario public sector. The starting dates of the moderation period varied across entities and employee groups. On November 29, 2022, the Ontario Superior Court of Justice struck down Bill 124, finding it unconstitutional and declaring it to be "void and of no effect". On December 29, 2022 the Ontario government filed a Notice of Appeal with the Ontario Court of Appeal but the Government has not sought a stay of decision. This ruling has triggered reopener provisions that required renewed negotiations with certain labour groups on compensation for the years that were previously capped by the legislation. The impact, if any, to the Society as a result of the Ontario Superior Court decision is not determinable at this time.

CHILDREN'S AID SOCIETY OF ALGOMA

Notes to Financial Statements

Year ended March 31, 2024

15. Economic dependence:

The Society receives approximately 93.2% (2023 – 91.8%) of its eligible funding from the MCCSS. The future of the Society is reliant on MCCSS providing sufficient ongoing funding to manage the requirements of current and future years.

16. Public Sector Salary Disclosure:

For the calendar year December 31, 2023, ten employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Society.

17. Financial risks and concentration of credit risk:

(a) 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 an increase to the risk exposure from 2023. See note 1.

(b) 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 the accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are collectible in the allowance for doubtful accounts.

18. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current period.

COMMITTEE OF ALGOMA

Supplementary information for 2023

	Child Welfare		Other Programs		Preparation for Independence		Capital		Restricted		Total	Total
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$ 17,956,447	17,520,779	686,912	498,707	90,186	90,186	-	-	176,794	298,156	\$ 18,910,339	\$ 18,407,828
	1,023,529	1,012,372	124,562	438,000	-	-	-	-	10,528	8,869	1,158,619	1,459,241
	-	-	-	-	-	-	-	-	5,508	7,773	5,508	7,773
Adjustments	-	-	-	-	-	-	29,274	30,814	-	-	29,274	30,814
	18,979,976	18,533,151	811,474	936,707	90,186	90,186	29,274	30,814	192,830	314,798	20,103,740	19,905,656
	9,138,401	9,387,631	-	-	67,434	67,440	-	-	-	-	9,205,835	9,455,071
	6,047,455	4,273,897	417,985	15,328	-	-	-	-	-	-	6,465,440	4,289,225
	2,695,583	2,722,819	-	-	20,364	20,364	-	-	-	-	2,715,947	2,743,183
	590,910	379,633	17,242	272,459	-	-	-	-	-	-	608,152	652,092
	916,043	812,038	-	-	-	-	-	-	-	-	916,043	812,038
	439,461	430,387	-	-	2,388	2,382	-	-	-	-	441,849	432,769
	566,281	557,603	-	-	-	-	-	-	-	-	566,281	557,603
	285,053	130,488	228,270	136,421	-	-	-	-	-	-	511,323	266,909
	559,573	198,465	2	-	-	-	-	-	-	-	559,575	198,465
	197,241	186,336	-	-	-	-	-	-	-	-	197,241	186,336
	47,811	80,670	-	-	-	-	-	-	-	-	47,811	80,670
	209,190	247,233	-	-	-	-	-	-	-	-	209,190	247,233
	83,635	71,280	-	-	-	-	-	-	-	-	83,635	71,280
	84,317	126,258	-	75,213	-	-	-	-	-	-	84,317	201,471
	3,836	-	-	-	-	-	-	-	-	-	3,836	-
	9,234	7,679	149,967	436,191	-	-	-	-	208,206	298,156	367,407	742,026
	-	-	-	-	-	-	-	-	15,750	11,250	15,750	11,250
	-	-	-	-	-	-	81,889	80,249	-	-	81,889	80,249
	9,587	6,548	-	1,095	-	-	-	-	-	-	9,587	7,643
	21,883,611	19,618,965	811,466	936,707	90,186	90,186	81,889	80,249	223,956	309,406	23,091,108	21,035,513
	(2,903,635)	(1,085,814)	8	-	-	-	(52,615)	(49,435)	(31,126)	5,392	(2,987,368)	(1,129,857)
	1,185,998	1,368,760	-	-	-	-	-	-	-	-	1,185,998	1,368,760
Net	\$ (1,717,637)	282,946	8	-	-	-	(52,615)	(49,435)	(31,126)	5,392	\$ (1,801,370)	\$ 238,903