

**CATHOLIC CHILDREN'S AID SOCIETY
OF HAMILTON
HAMILTON, ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Catholic Children's Aid Society of Hamilton

Qualified Opinion

We have audited the financial statements of the Catholic Children's Aid Society of Hamilton (the Society), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year ended March 31, 2021 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and its results of operations and its cash flows for the year ended March 31, 2021 in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many not for profit organizations, the Society derives revenue from donations or fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations or fundraising revenue, excess revenue over expenditures, and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and fund balances as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our 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 qualified audit opinion.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Catholic Children's Aid Society of Hamilton taken as a whole. The supplementary information included on the schedule of revenue and expenditures by program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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.

Auditors' 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 auditors' 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 these 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 auditors' 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 auditors' 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.

We 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.

HAMILTON, ONTARIO
June 14, 2021

HGK Partners LLP

HGK PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Financial Position
As at March 31, 2021

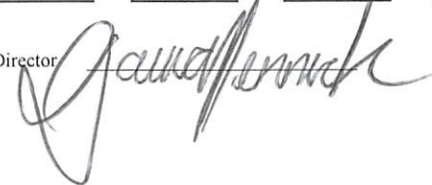
	General Fund	Private Funds	OCBe Funds	Specified Funds	Capital Building Fund	Total 2021	Total 2020
ASSETS							
Current							
Cash - unrestricted	\$ 1,239,908	\$ 893,567	\$ -	\$ -	\$ -	\$ 2,133,475	\$ 1,570,014
Cash - restricted	-	-	-	334,096	-	334,096	295,169
Inter-fund receivables (payables)	(847,993)	331,399	307,321	(52,733)	262,006	-	-
Accounts receivable (Note 2)	557,676	-	-	-	-	557,676	196,320
Prepaid expenditures	86,336	7,252	-	-	-	93,588	103,826
	1,035,927	1,232,218	307,321	281,363	262,006	3,118,835	2,165,329
Capital assets (Note 3)	2,484,113	-	-	-	-	2,484,113	2,484,494
	<u>\$ 3,520,040</u>	<u>\$ 1,232,218</u>	<u>\$ 307,321</u>	<u>\$ 281,363</u>	<u>\$ 262,006</u>	<u>\$ 5,602,948</u>	<u>\$ 4,649,823</u>
LIABILITIES							
Current							
Accounts payable and accrued liabilities (Note 5)	\$ 2,337,705	\$ -	\$ -	\$ -	\$ -	\$ 2,337,705	\$ 1,795,618
Trust funds payable (Note 6)	-	-	128,890	237,239	-	366,129	330,583
Deferred contributions (Note 7)	20,000	-	-	-	-	20,000	37,164
Current portion of long term debt (Note 8)	171,639	-	-	-	-	171,639	166,739
	2,529,344	-	128,890	237,239	-	2,895,473	2,330,104
Long term debt (Note 8)	373,954	-	-	-	-	373,954	545,593
	<u>2,903,298</u>	<u>-</u>	<u>128,890</u>	<u>237,239</u>	<u>-</u>	<u>3,269,427</u>	<u>2,875,697</u>
FUND BALANCES							
General Fund - unrestricted	616,742	-	-	-	-	616,742	281,755
Private funds - internally restricted	-	942,908	-	-	-	942,908	850,209
Private funds - externally restricted	-	46,904	-	-	-	46,904	46,904
Bishop Crosby Fund for Families - internally restricted (Note 9)	-	242,406	-	-	-	242,406	138,955
OCBe - externally restricted	-	-	178,431	-	-	178,431	151,589
Specified funds - externally restricted (Note 10)	-	-	-	44,124	-	44,124	42,708
Capital Building Fund - externally restricted	-	-	-	-	262,006	262,006	262,006
	<u>616,742</u>	<u>1,232,218</u>	<u>178,431</u>	<u>44,124</u>	<u>262,006</u>	<u>2,333,521</u>	<u>1,774,126</u>
	<u>\$ 3,520,040</u>	<u>\$ 1,232,218</u>	<u>\$ 307,321</u>	<u>\$ 281,363</u>	<u>\$ 262,006</u>	<u>\$ 5,602,948</u>	<u>\$ 4,649,823</u>

Commitments and contingencies (Note 18)

On behalf of the Board

Mr. David Hennick Director
 Board Chair (See Accompanying Notes)

Director



CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Operations
Year Ended March 31, 2021

	General Fund	Private Funds	OCBe Funds	Specified Funds (Note 10)	Capital Building Fund	Total 2021	Total 2020
Revenue							
Province of Ontario - Child Welfare	\$ 22,266,533	\$ -	\$ -	\$ -	\$ -	\$ 22,266,533	\$ 23,029,070
Province of Ontario - Non-Child Welfare	926,454	-	124,619	-	-	1,051,073	1,382,615
Funding amounts (payable) receivable (Note 17)	264,206	-	-	-	-	264,206	(230,878)
Targeted subsidy	171,810	-	-	-	-	171,810	155,250
Targeted subsidy receivable (payable)	17,595	-	-	-	-	17,595	10,091
MCCSS additional supports	170,010	-	-	-	-	170,010	-
Donations	-	297,161	-	8,000	-	305,161	231,146
Events (Note 11)	-	96,417	-	-	-	96,417	159,774
Children's special allowances	507,290	-	-	-	-	507,290	613,160
Other revenue (Note 12)	647,395	92,455	-	1,416	-	741,266	401,347
	<u>24,971,293</u>	<u>486,033</u>	<u>124,619</u>	<u>9,416</u>	<u>-</u>	<u>25,591,361</u>	<u>25,751,575</u>
Expenditures							
Staff salaries	11,494,869	31,518	-	-	-	11,526,387	11,957,152
Employee benefits (Note 14)	3,443,290	-	-	-	-	3,443,290	3,728,925
Events (Note 11)	-	17,544	-	-	-	17,544	40,975
Training	130,800	-	-	-	-	130,800	90,250
Travel and mileage	167,942	-	-	-	-	167,942	570,621
Building occupancy (Note 8)	480,470	-	-	-	-	480,470	457,176
Professional services - corporate	243,995	7,692	-	-	-	251,687	98,950
Program expenditures	503,035	54,300	-	-	-	557,335	800,795
Boarding rate payments	4,949,515	-	-	-	-	4,949,515	4,821,932
Professional services - client	521,752	6,408	-	-	-	528,160	387,787
Clients' personal needs	539,215	153,488	-	-	-	692,703	541,030
Bursary payments	-	-	-	8,000	-	8,000	8,000
OCBe savings allocation	-	-	48,734	-	-	48,734	38,463
OCBe activity expenditures	-	-	49,043	-	-	49,043	106,923
Adoption subsidy	91,087	-	-	-	-	91,087	100,908
Targeted subsidy	757,620	-	-	-	-	757,620	661,365
Admission prevention	99,030	1,100	-	-	-	100,130	125,081
Health and related	209,094	-	-	-	-	209,094	227,914
Financial assistance	94,270	9,940	-	-	-	104,210	50,015
Promotion and publicity	41,438	1,200	-	-	-	42,638	41,898
Office administration	233,733	6,693	-	-	-	240,426	140,333
Other expenditures (Note 13)	533,107	-	-	-	-	533,107	506,450
	<u>24,534,262</u>	<u>289,883</u>	<u>97,777</u>	<u>8,000</u>	<u>-</u>	<u>24,929,922</u>	<u>25,502,943</u>
Excess revenue over expenditures before amortization	437,031	196,150	26,842	1,416	-	661,439	248,632
Amortization (Note 3)	102,044	-	-	-	-	102,044	89,600
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 334,987</u>	<u>\$ 196,150</u>	<u>\$ 26,842</u>	<u>\$ 1,416</u>	<u>\$ -</u>	<u>\$ 559,395</u>	<u>\$ 159,032</u>

(See Accompanying Notes)

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Changes in Fund Balances
Year Ended March 31, 2021

	General Fund	Private Funds	OCBe Funds	Specified Funds	Capital Building Fund	Total
	<u>2021</u>					
Balance, beginning of year	\$ 281,755	\$ 1,036,068	\$ 151,589	\$ 42,708	\$ 262,006	\$ 1,774,126
Excess revenue over expenditures	<u>334,987</u>	<u>196,150</u>	<u>26,842</u>	<u>1,416</u>	<u>-</u>	<u>559,395</u>
Balance, end of year	<u>\$ 616,742</u>	<u>\$ 1,232,218</u>	<u>\$ 178,431</u>	<u>\$ 44,124</u>	<u>\$ 262,006</u>	<u>\$ 2,333,521</u>
	<u>2020</u>					
Balance, beginning of year	\$ 172,556	\$ 994,906	\$ 148,070	\$ 37,556	\$ 262,006	\$ 1,615,094
Excess revenue over expenditures	<u>109,199</u>	<u>41,162</u>	<u>3,519</u>	<u>5,152</u>	<u>-</u>	<u>159,032</u>
Balance, end of year	<u>\$ 281,755</u>	<u>\$ 1,036,068</u>	<u>\$ 151,589</u>	<u>\$ 42,708</u>	<u>\$ 262,006</u>	<u>\$ 1,774,126</u>

(See Accompanying Notes)

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Cash Flows
Year Ended March 31, 2021

	General Fund	Private Funds	OCBe Funds	Specified Funds	Total 2021	Total 2020
OPERATING ACTIVITIES						
Excess revenue over expenditures	\$ 334,987	\$ 196,150	\$ 26,842	\$ 1,416	\$ 559,395	\$ 159,032
Expenditures not requiring a cash outlay						
Amortization	<u>102,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,044</u>	<u>89,600</u>
	<u>437,031</u>	<u>196,150</u>	<u>26,842</u>	<u>1,416</u>	<u>661,439</u>	<u>248,632</u>
(Increase) decrease in accounts receivable	(361,356)	-	-	-	(361,356)	828,040
(Increase) decrease in prepaid expenditures	12,570	(2,335)	-	-	10,235	(36,608)
Increase (decrease) in accounts payable and accrued liabilities	542,090	-	-	-	542,090	(45,550)
Increase (decrease) in deferred contributions	(9,168)	(7,996)	-	-	(17,164)	63,944
Increase (decrease) in trust funds payable	<u>-</u>	<u>-</u>	<u>6,526</u>	<u>29,019</u>	<u>35,545</u>	<u>(7,064)</u>
	<u>184,136</u>	<u>(10,331)</u>	<u>6,526</u>	<u>29,019</u>	<u>209,350</u>	<u>802,762</u>
Net cash provided by (used for) operating	<u>621,167</u>	<u>185,819</u>	<u>33,368</u>	<u>30,435</u>	<u>870,789</u>	<u>1,051,394</u>
INVESTING ACTIVITIES						
Purchase of capital assets	<u>(101,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,662)</u>	<u>-</u>
Net cash used for investing	<u>(101,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,662)</u>	<u>-</u>
FINANCING ACTIVITIES						
Increase (decrease) in bank indebtedness	-	-	-	-	-	(5,000)
Repayment of long term debt	(166,739)	-	-	-	(166,739)	(161,978)
Increase (decrease) in inter-fund balances	<u>95,099</u>	<u>(70,223)</u>	<u>(33,368)</u>	<u>8,492</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) financing	<u>(71,640)</u>	<u>(70,223)</u>	<u>(33,368)</u>	<u>8,492</u>	<u>(166,739)</u>	<u>(166,978)</u>
Increase (decrease) in cash	447,865	115,596	-	38,927	602,388	884,416
Cash, beginning of year	<u>792,043</u>	<u>777,971</u>	<u>-</u>	<u>295,169</u>	<u>1,865,183</u>	<u>980,767</u>
Cash, end of year	<u>\$ 1,239,908</u>	<u>\$ 893,567</u>	<u>\$ -</u>	<u>\$ 334,096</u>	<u>\$ 2,467,571</u>	<u>\$ 1,865,183</u>
Cash Represented By:						
Cash - unrestricted	\$ 1,239,908	\$ 893,567	\$ -	\$ -	\$ 2,133,475	\$ 1,570,014
Cash - restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,096</u>	<u>334,096</u>	<u>295,169</u>
	<u>\$ 1,239,908</u>	<u>\$ 893,567</u>	<u>\$ -</u>	<u>\$ 334,096</u>	<u>\$ 2,467,571</u>	<u>\$ 1,865,183</u>

The restricted cash is restricted to use as stipulated by the donors.

(See Accompanying Notes)

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

DESCRIPTION OF ORGANIZATION

The Catholic Children's Aid Society of Hamilton (the Society) is a non-share capital corporation, incorporated under the laws of the province of Ontario. The purpose of the organization is to protect children and to promote their best interests and well being within the City of Hamilton. As a result of its charitable status, the organization is exempt from the payment of income taxes under one or more provisions of the *Income Tax Act (Canada)*.

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 the 4200 Series of standards, as issued by the Public Sector Accounting Board (PSAB) for government not for profit organizations.

(b) Fund Accounting

The Society follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Society's program delivery and related administrative activities. This fund reports restricted operating grants.

The Private Funds report internally and externally restricted resources that are donated and are to be used for the Society's program delivery and administrative activities not covered by government funding.

The OCBe Funds reports externally restricted revenue and related expenditures relating to the government funded Ontario Child Benefit Equivalency program.

The Specified Funds reports restricted resources that are either donated by individuals or contributed by the Ministry and are to be used for the specified programs and trusts.

The Capital Building Fund reports the externally restricted assets, liabilities, revenue and expenditures related to the building expansion campaign.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial Instruments

(i) Measurement of Financial Instruments

Financial assets and liabilities are initially recognized at fair value except for certain non-arm's length transactions which are measured at the carrying amount or exchange amount as appropriate. Subsequent measurement is dependent on classification as designated by the Society. Financial assets subsequently measured at amortized cost include cash, interfund receivables (payables) and accounts receivable.

Financial liabilities subsequently measured at amortized cost, less any impairment losses, include accounts payable and accrued liabilities, trust funds payable and long term debt.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of a write down is recognized on the statement of operations. A previously recognized impairment loss may be reversed to the extent of an improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized on the statement of operations.

(iii) Transaction Costs

The Society recognizes its transaction costs on the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(d) Prepaid Expenditures

Prepaid expenditures consist primarily of prepaid services.

(e) Restricted Cash and Liabilities

Restricted cash is designated for restricted purposes by independent funders, by regulation, or by resolution of the Board of Directors. The restricted liabilities represent funds held in trust.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributed Assets and Materials

Contributed investment securities are recorded at the fair value at the date of the donation when the value can be reasonably determined. Other contributed assets and materials that exceed the fair value of \$10,000 are recorded at the fair value at the date of the donation when the value can be reasonably determined.

(g) Donated Services

Although the Society has an active volunteer base that provides support to the Society through various activities, the value of these volunteer services is not provided for in these financial statements due to the difficulty in compiling these hours and determining their fair value.

(h) Revenue Recognition

The Society follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured. In the General Fund, Ministry revenue for the fiscal year is not finalized until the Ministry has reviewed and approved the Child Welfare Transfer Payment Annual Reconciliation which does not occur until after the financial statements are issued. The amount of Ministry revenue recognized in these financial statements represents management's best estimate of amounts earned during the year. Externally restricted contributions representing prior year funding adjustments, are treated as revenue in the current year.

Contributions externally restricted for capital assets in the General Fund are deferred and amortized over the life of the related capital asset.

All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Investment revenue is recognized when earned.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Capital Assets

Capital assets purchased prior to 1999 and purchases of land and building are capitalized and amortized over the estimated useful life of the assets using rates and methods as indicated. Capitalized assets acquired during the year are amortized at one-half of the indicated rate.

Building	-	5% diminishing balance
Building renovations	-	5% diminishing balance
Fence	-	10% diminishing balance
Office equipment	-	20% diminishing balance
Vehicle	-	30% diminishing balance
Computer equipment	-	3 years straight-line

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized on the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(j) Employee Pension Plan

The employees of the Society are members of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer pension plan. Defined contribution accounting is applied for the pension plan, whereby contributions are expensed when due, as the Society has insufficient information to apply defined benefit plan accounting.

(k) 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 revenue and expenditures during the period reported. These estimates are reviewed periodically and as adjustments become necessary, are reported in the period in which they become known. Significant areas requiring the use of management estimates include amortization of capital assets, impairment assessments and contingencies as well as Ministry funding repayable.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

2. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 13,527	\$ 32,861
Receivable from other CAS agencies	69,692	14,127
HST rebate receivable	182,565	113,823
Receivable from Ministry of Children, Community and Social Services (MCCSS)	264,206	-
Targeted Subsidy funding receivable	27,686	10,091
OHIP Plus funding receivable	-	13,868
Other receivables	-	11,550
	<u>\$ 557,676</u>	<u>\$ 196,320</u>

3. CAPITAL ASSETS

	<u>2021</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Land	\$ 789,856	\$ -	\$ 789,856
Fence	18,154	14,972	3,182
Building	3,024,547	2,178,725	845,822
Building renovations	1,600,302	840,361	759,941
Office equipment	278,479	277,886	593
Computer equipment	252,482	167,763	84,719
Vehicle	21,788	21,788	-
	<u>\$ 5,985,608</u>	<u>\$ 3,501,495</u>	<u>\$ 2,484,113</u>

	<u>2020</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Land	\$ 789,856	\$ -	\$ 789,856
Fence	18,154	14,572	3,582
Building	3,024,547	2,134,225	890,322
Building renovations	1,600,302	800,361	799,941
Office equipment	278,479	277,686	793
Computer equipment	150,819	150,819	-
Vehicle	21,788	21,788	-
	<u>\$ 5,883,945</u>	<u>\$ 3,399,451</u>	<u>\$ 2,484,494</u>

During the year, capital asset amortization of \$102,044 (2020 - \$89,600) was recorded and is reflected on the statement of operations.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

4. BANK FACILITY

The Society has a non-revolving demand credit line with a \$1,250,000 limit (2020 - \$1,250,000) of which \$1,250,000 (2020 - \$1,250,000) was unused at year end. Interest is calculated at the lender's prime less 0.50% per annum and is due on demand. The security for this operating line includes a general security agreement on all present and future assets of the Society as well as a collateral second mortgage on its land and building.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Accounts payable and accrued liabilities	\$ 2,156,781	\$ 1,398,760
Government remittances payable	180,924	165,980
Due to Ministry - Balanced Budget Fund	-	230,878
Balance, end of year	<u>\$ 2,337,705</u>	<u>\$ 1,795,618</u>

6. TRUST FUNDS PAYABLE

Trust funds payable represents monies held in trust for specific wards of the Society.

The Ontario Child Benefit Equivalency (OCBE) program represent funds received to provide all children and youth in care with access to recreational, educational, cultural and social opportunities that support their achievement of higher educational outcomes, a higher degree of resiliency, social skills and relationship development, and a smoother transition to adulthood. As part of this program, funds are held in trust which represents savings payable to youth in care. During the year, \$48,734 (2020 - \$38,463) was transferred into these savings accounts.

Included in Specified Funds are amounts payable to Registered Educational Savings Plans (RESPs). The Universal Child Care Benefit (UCCB) payments are received from the federal government on behalf of children in care up to the age of six years. These funds are to be retained and used to open RESPs for children in care and/or to work with natural and adoptive parents to open RESPs for children since discharged or adopted for whom the Society has previously received funds. As at the end of the year, the untransferred funds amounted to \$232,458 (2020 - \$203,592). Individual RESPs are not included in the financial statements of the Society.

Also included in Specified Funds are funds received on behalf of specific children in care. During the year, interest in the amount of \$153 (2020 - \$558) was earned on these funds. At the end of the year \$4,781 (2020 - \$4,627) was held in trust on behalf of these youth in care.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

7. DEFERRED CONTRIBUTIONS - GENERAL FUND

Deferred contributions consists of the unexpended portion of grants and donations received for specific programs as well as fundraising revenue received for events which are to occur in the coming year.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 29,168	\$ 10,000
Net (decrease) increase	<u>(9,168)</u>	<u>19,168</u>
Balance, end of year	<u>\$ 20,000</u>	<u>\$ 29,168</u>

8. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
Loan payable, bears interest at a fixed rate of 2.90%, repayable in blended monthly instalments of \$15,433, maturing in March 2024	\$ 545,593	\$ 712,332
Principal payments due within one year	<u>171,639</u>	<u>166,739</u>
	<u>\$ 373,954</u>	<u>\$ 545,593</u>

The loan payable relates to the purchase and renovation of the building. The loan payable is secured by a first fixed charge of \$2,588,733 on the property.

Estimated principal amounts due within the next three years are as follows:

2022	-	\$ 171,639
2023	-	\$ 176,683
2024	-	\$ 197,271

Interest in the amount of \$18,453 (2020 - \$22,822) was paid during the year and has been included in building occupancy expenditure.

9. BISHOP CROSBY FUND FOR FAMILIES

During 2017, the Board of Directors internally restricted \$50,000 from Private Funds and created the Bishop Crosby Fund for Families. Its purpose is to provide financial support to help families who are receiving services from the Society.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 138,955	\$ 72,984
Contributions	110,000	80,420
Transfer from Private Funds	-	5,000
Expenditures	<u>(6,549)</u>	<u>(19,449)</u>
	<u>\$ 242,406</u>	<u>\$ 138,955</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

10. SPECIFIED FUNDS

	Bursary/ Youth Opportuni- ties Fund	Computer Fund	Total 2021	Total 2020
Balance, beginning of year	\$ 5,713	\$ 36,995	\$ 42,708	\$ 37,556
Donations	8,000	-	8,000	8,000
Interest	189	1,227	1,416	5,152
Disbursement of funds	(8,000)	-	(8,000)	(8,000)
Balance, end of year	<u>\$ 5,902</u>	<u>\$ 38,222</u>	<u>\$ 44,124</u>	<u>\$ 42,708</u>

11. EVENTS

	Auction	Golf Tournament	Net 2021	Net 2020
Revenue	\$ 35,196	\$ 61,221	\$ 96,417	\$ 159,774
Expenditures	<u>110</u>	<u>17,434</u>	<u>17,544</u>	<u>40,975</u>
	<u>\$ 35,086</u>	<u>\$ 43,787</u>	<u>\$ 78,873</u>	<u>\$ 118,799</u>

12. OTHER REVENUE

	General Funds	Private Funds	Specified Funds	Total 2021	Total 2020
Interest	\$ 10,629	\$ 3,455	\$ 1,416	\$ 15,500	\$ 32,445
Expenditure recoveries	-	-	-	-	600
Administration fees/ recovery	34,940	-	-	34,940	60,900
Government agencies - COVID-19 support	262,563	-	-	262,563	-
Grants - Hamilton Community Foundation	-	89,000	-	89,000	-
Miscellaneous recoveries	8,170	-	-	8,170	6,630
Inter-agency recoveries	<u>331,093</u>	<u>-</u>	<u>-</u>	<u>331,093</u>	<u>300,772</u>
	<u>\$ 647,395</u>	<u>\$ 92,455</u>	<u>\$ 1,416</u>	<u>\$ 741,266</u>	<u>\$ 401,347</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

13. OTHER EXPENDITURES

	<u>2021</u>	<u>2020</u>
General Fund		
Liability insurance	\$ 188,466	\$ 157,504
Membership dues	196,772	203,559
Technology	<u>147,869</u>	<u>145,387</u>
	<u>\$ 533,107</u>	<u>\$ 506,450</u>

14. EMPLOYEE BENEFIT PLAN

Multi-Employer Pension Plan

The Society makes contributions to OMERS on behalf of approximately 180 employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of credited service and average earnings.

Contributions were made in the 2021 fiscal year at rates ranging from 9.0% to 14.6% (2020 - 9.0% to 14.6%) depending on each member's designated retirement age and the level of earnings. As a result, \$1,181,964 (2020 - \$1,251,383) was contributed to OMERS for current service, which is included under employee benefits expenditure on the statement of operations.

The most recent regulatory funding valuation conducted as at December 31, 2017 disclosed actuarial assets of \$89,028 million with accrued pension liabilities of \$94,431 million resulting in a going concern actuarial deficit of \$5,403 million. The Society does not recognize any share of the OMERS pension surplus or deficits.

15. HAMILTON COMMUNITY FOUNDATION - CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON ENDOWMENT FUND

On July 5, 2018 the Catholic Children's Aid Society of Hamilton entered into an agreement with the Hamilton Community Foundation (the Foundation) to establish a permanent endowment fund known as the Catholic Children's Aid Society of Hamilton Endowment Fund (the Fund) with the purpose of providing a perpetual stream of income to support Society priorities in future years.

At the sole discretion of the Foundation, the Foundation may disburse not greater than 10% of the Fund balance to the Society, which it will use accordingly. Distributions from the Fund shall be made to the Society on request after June 30 of each year.

The Society is independent of the Foundation and it is not in a position to significantly influence the Foundation's activities or operating decisions. As a result, the assets, liabilities and expenditures of the Fund are not reflected in these financial statements. The Fund balance as at March 31, 2021 was approximately \$200,000 (2020 - \$150,000).

16. HAMILTON COMMUNITY FOUNDATION - SCHOLARSHIP FUND

On March 31, 2014 the Catholic Children's Aid Society of Hamilton entered into an agreement with the Hamilton Community Foundation (the Foundation) to establish a permanent endowment fund known as the Ralph and Rose Sazio Scholarship Fund (the Fund) to provide an ongoing source of revenue to support annual scholarships to Catholic individuals who have or are currently receiving services from the Society. Incorporated into the Fund was the balance of the Youth Opportunity Fund which was previously established in 1999.

With the retirement of Ersilia DiNardo, Executive Director, in June 2015, the Board decided to create another scholarship fund in her name. To accomplish this, the Fund was renamed "Catholic Children's Aid Society Fund", and segmented. In recognition of Ersilia DiNardo's contribution to the Catholic Community, the Bishop donated \$10,000 to the Society. The Board approved a contribution of \$50,000 from Private Funds generated by donations and fundraising. A total amount of \$60,000 was deposited with the Foundation. The scope for applicants to the Ersilia DiNardo Scholarship includes youth who have received protection services from the Society.

At the sole discretion of the Foundation, the Foundation may disburse not greater than 10% of the Fund balance to the Society with which it will issue scholarships. No disbursements will be made from the Fund if the fund value should drop below \$50,000. Disbursements will cease until the fund value recovers. No part of this minimum Fund balance shall revert or be paid to, lent or applied to, or benefit the Society, unless the Foundation ceases to exist or if, in its sole discretion, it feels that it can no longer manage the Fund.

The Society is independent of the Foundation and it is not in a position to significantly influence the Foundation's activities or operating decisions. As a result, the assets, liabilities and expenditures of the Fund are not reflected in these financial statements. The Fund balances as at March 31, 2021 were \$183,999 (2020 - \$158,219) for the Ralph and Rose Sazio Scholarship Fund and \$72,598 (2020 - \$65,411) for the Ersilia Dinardo Scholarship Fund.

17. BALANCED BUDGET FUND

The Society has a legal requirement to return any surplus of Child Welfare funding, as determined by Ministry reporting, to the Ministry. The Balanced Budget Fund was created by the Ministry in 2014 to support Children's Aid Societies to proactively manage the risks associated with a multi-year planning process. The Balanced Budget Fund is tracked on an individual CAS basis, and is accessed by way of the budget submission process. The guidelines stipulate that Balanced Budget Funds must be used during the three years immediately following the year in which the surplus was determined.

At March 31, 2020 Balanced Budget Funds available for use by the Society amounted to \$230,878, which was the Child Welfare surplus for the fiscal year ended March 31, 2020. Under the current guidelines this will be available to support Child Welfare activities in the next three fiscal years.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2021

18. COMMITMENTS AND CONTINGENCIES

(a) Lease Commitments

The aggregate minimum future annual lease payments required under long term agreements for lease of photocopiers and other office equipment are as follows:

2022	-	\$14,937
2023	-	\$8,465

(b) Litigation and Claims

In the normal course of operations, the Society becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur.

Management is of the opinion that the outcome of litigation now pending is not determinable. Should any loss, over and above existing insurance become likely, this amount will be recognized as an expenditure in the period the amount becomes determinable.

19. FINANCIAL INSTRUMENT CLASSIFICATION

All financial instruments of the Society are measured at amortized cost with none being recorded at fair value. The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value shown below.

		2021	
	Fair Value	Amortized	Total
		Cost	
Cash	\$ -	\$ 2,133,475	\$ 2,133,475
Restricted cash	-	334,096	334,096
Accounts receivable	-	557,676	557,676
Accounts payable and accrued liabilities	-	2,156,781	2,156,781
Trust funds payable	-	366,129	366,129
Long term debt	-	545,593	545,593
	<u>\$ -</u>	<u>\$ 6,093,750</u>	<u>\$ 6,093,750</u>

20. FINANCIAL INSTRUMENT RISK

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 at March 31, 2021:

(a) Credit Risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Society determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. The majority of the Society's receivables are from government sources and for any funding receivable, the Society ensures it continues to meet the required eligibility. The Society's cash balance is in excess of federally insured limits, however, the Society manages credit risk by maintaining its cash with a financial institution of reputable credit and therefore bears minimal credit risk.

(b) 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 comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is exposed to interest rate risk.

(c) Interest Rate Risk

Fixed rate instruments subject the organization to a fair value risk while floating interest rate instruments subject it to a cash flow risk. Fluctuations in interest rates will impact the cost of financing incurred currently and in the future. The Society is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2021 the Society had a fixed interest rate mortgage as described in *Note 8*. The Society does not use derivative instruments to reduce its exposure to interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect to its accounts payable and accrued liabilities and long term debt.

The Society's principal source of funding is from the Province of Ontario. The Society is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter or grant documentation. The Society has complied with the external restrictions on the funding provided.

20. FINANCIAL INSTRUMENT RISK (Continued)

(d) Liquidity Risk (Continued)

The Society meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities. The Society has a short term bank facility of up to \$1,250,000 in place should it be required to meet temporary fluctuations in cash requirements.

There have been no significant changes to the risk exposures noted above from the prior year.

21. IMPACT OF COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. In response to the emergency declaration in Ontario related to COVID-19, additional costs were incurred by the Society for the fiscal year ended March 31, 2021. These costs are included in the Child Welfare Fund in the schedule of revenue and expenditures by program (*Page 21*).

The public health measures put into place will impact how the Society continues to carry out its work. The recommended practice of social distancing will require the acquisition of additional forms of personal protective equipment and there may be additional administrative costs for staff working remotely. At this time, the financial cost of these measures cannot be reliably estimated. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the operating results and financial position of the Society in future periods. Management will continue to carefully monitor the situation.

22. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's presentation.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Schedule of Revenue and Expenditures by Program
Year Ended March 31, 2021

	Child Welfare	Non-Child Welfare (Page 23)	Infrastructure	HWCS	Homelessness Partnership	Total
REVENUE						
Province of Ontario - Child Welfare	\$ 22,266,533	\$ -	\$ -	\$ -	\$ -	\$ 22,266,533
Province of Ontario - Non Child Welfare	-	575,136	19,168	-	332,150	926,454
Funding amounts (Payable) Receivable	264,206	-	-	-	-	264,206
Targeted subsidy funding	171,810	-	-	-	-	171,810
Targeted subsidy funding receivable (payable)	17,595	-	-	-	-	17,595
MCCSS additional supports	170,010	-	-	-	-	170,010
Children's special allowances	507,290	-	-	-	-	507,290
Other revenue (Note 12)	551,790	-	-	95,605	-	647,395
	<u>23,949,234</u>	<u>575,136</u>	<u>19,168</u>	<u>95,605</u>	<u>332,150</u>	<u>24,971,293</u>
EXPENDITURES						
Staff salaries	11,235,915	219,933	-	-	39,021	11,494,869
Employee benefits	3,403,374	30,364	-	-	9,552	3,443,290
Training	129,000	1,800	-	-	-	130,800
Travel and mileage	163,832	2,360	-	-	1,750	167,942
Building occupancy (Note 8)	451,702	9,600	19,168	-	-	480,470
Professional services - corporate	233,780	10,215	-	-	-	243,995
Program expenditures	121,816	4,867	-	95,605	280,747	503,035
Boarding rate payments	4,763,955	185,560	-	-	-	4,949,515
Professional services - client	454,817	66,935	-	-	-	521,752
Clients' personal needs	533,215	6,000	-	-	-	539,215
Adoption subsidy	91,087	-	-	-	-	91,087
Targeted subsidy	757,620	-	-	-	-	757,620
Admission prevention	99,030	-	-	-	-	99,030
Health and related	209,094	-	-	-	-	209,094
Financial assistance	94,270	-	-	-	-	94,270
Promotion and publicity	35,438	6,000	-	-	-	41,438
Office administration	212,451	20,202	-	-	1,080	233,733
Other expenditures (Note 13)	521,807	11,300	-	-	-	533,107
	<u>23,512,203</u>	<u>575,136</u>	<u>19,168</u>	<u>95,605</u>	<u>332,150</u>	<u>24,534,262</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 437,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,031</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Schedule of Revenue and Expenditures by Program - (Continued)
Year Ended March 31, 2021

Non-Child Welfare	A555/556 Preparation for Independence	A444 Broader Public Sector	A771 Community Capacity	Education Liaison	Hamilton Youth Poets	Total 2021
REVENUE						
Government subsidies	\$ 74,942	\$ 27,245	\$ 7,935	\$ 94,454	\$ 160,000	\$ 364,576
EXPENDITURES						
Staff salaries	57,488	27,245	-	52,200	70,000	206,933
Employee benefits	14,372	-	-	12,892	3,100	30,364
Training	-	-	-	-	1,800	1,800
Travel and mileage	-	-	-	1,500	860	2,360
Building occupancy	-	-	-	-	9,600	9,600
Program expenditures	3,082	-	-	-	-	3,082
Professional fees - client	-	-	7,935	-	59,000	66,935
Clients' personal needs	-	-	-	6,000	-	6,000
Promotion and publicity	-	-	-	-	6,000	6,000
Office administration	-	-	-	10,562	9,640	20,202
Other expenditures	-	-	-	11,300	-	11,300
	<u>74,942</u>	<u>27,245</u>	<u>7,935</u>	<u>94,454</u>	<u>160,000</u>	<u>364,576</u>
EXCESS REVENUE OVER EXPENDITURES						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Schedule of Revenue and Expenditures by Program (Continued)
Year Ended March 31, 2021

Non-Child Welfare	Sub-total Carried Forward	Trillium FLS	Transitional Aged Youth	Total 2021
REVENUE				
Government subsidies	<u>\$ 364,576</u>	<u>\$ 25,000</u>	<u>\$ 185,560</u>	<u>\$ 575,136</u>
EXPENDITURES				
Staff salaries	206,933	13,000	-	219,933
Employee benefits	30,364	-	-	30,364
Training	1,800	-	-	1,800
Travel and mileage	2,360	-	-	2,360
Building occupancy	9,600	-	-	9,600
Professional services - corporate	-	10,215	-	10,215
Program expenditures	3,082	1,785	-	4,867
Boarding rate payments	-	-	185,560	185,560
Professional fees - client	66,935	-	-	66,935
Clients personal needs	6,000	-	-	6,000
Promotion and publicity	6,000	-	-	6,000
Office administration	20,202	-	-	20,202
Other expenditures	<u>11,300</u>	<u>-</u>	<u>-</u>	<u>11,300</u>
	<u>364,576</u>	<u>25,000</u>	<u>185,560</u>	<u>575,136</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>