Financial Statements of

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

And Independent Auditor's Report thereon

Year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Association of Children's Aid Societies

Opinion

We have audited the financial statements of Ontario Association of Children's Aid Societies (the Entity), which comprise:

- the balance sheet as at March 31, 2025
- the statement of revenue and expenses for the year then ended
- the statement of changes in fund balances 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 Entity as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 23, 2025

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

Balance Sheet

March 31, 2025, with comparative information for 2024

	Operating Fund	Special Bursary Fund	2025 Total	2024 Total
Assets				
Current assets:				
Cash	$ 3,296,139	$ 41,250	$ 3,337,389	$ 6,386,050
Short-term investments	1,000,000	–	1,000,000	–
Accounts receivable	996,221	–	996,221	1,202,466
Prepaid deposits and expenses	348,101	–	348,101	220,097
Interfund receivable (payable)	(105,452)	105,452	–	–
	5,535,009	146,702	5,681,711	7,808,613
Capital assets (note 2)	3,800,008	–	3,800,008	3,983,111
	$ 9,335,017	$ 146,702	$ 9,481,719	$ 11,791,724
Liabilities and Fund Balances				
Current liabilities:				
Accounts payable and accrued liabilities	$ 1,611,058	$ –	$ 1,611,058	$ 2,365,563
Deferred revenue (note 3)	1,503,616	41,250	1,544,866	3,404,706
	3,114,674	41,250	3,155,924	5,770,269
Fund balances:				
Invested in capital assets	3,800,008	–	3,800,008	3,983,111
Special bursary fund	–	105,452	105,452	115,985
Operating fund	2,420,335	–	2,420,335	1,922,359
	6,220,343	105,452	6,325,795	6,021,455
	$ 9,335,017	$ 146,702	$ 9,481,719	$ 11,791,724

See accompanying notes to financial statements.

On behalf of the Board:

_________________________________ Director

_________________________________ Director

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

Statement of Revenue and Expenses

Year ended March 31, 2025, with comparative information for 2024

	Operating Fund		Special Bursary Fund		Total	
	2025	2024	2025	2024	2025	2024
Revenue:						
Government of Ontario	$ 7,362,843	$ 6,939,932	$ –	$ –	$ 7,362,843	$ 6,939,932
Membership fees	3,160,754	3,253,199		–	3,160,754	3,253,199
Other	604,631	714,567	5,073	6,904	609,704	721,471
Donations	–	5,198	439,206	349,348	439,206	354,546
Sales and registration fees	315,878	261,075	–	–	315,878	261,075
	11,444,106	11,173,971	444,279	356,252	11,888,385	11,530,223
Expenses:						
Salaries	5,266,151	5,472,793	27,844	19,598	5,293,995	5,492,391
Contracted professional services	1,775,299	1,599,415	–	–	1,775,299	1,599,415
Employee benefits	1,360,989	1,396,085	6,664	4,206	1,367,653	1,400,291
Direct contract	1,333,579	1,094,024	–	–	1,333,579	1,094,024
Office and administration	694,261	537,634	5,271	6,198	699,532	543,832
Facilities and equipment	392,325	406,233	–	–	392,325	406,233
Bursaries and grants	30,000	42,000	404,500	326,250	434,500	368,250
Amortization of capital assets	193,945	202,297	–	–	193,945	202,297
Other	48,037	68,303	–	–	48,037	68,303
Loan interest	–	39,341	–	–	–	39,341
Business travel and hospitality	31,233	37,351	–	–	31,233	37,351
Training development and recruitment	13,947	24,902	–	–	13,947	24,902
	11,139,766	10,920,378	444,279	356,252	11,584,045	11,276,630
Excess of revenue over expenses	$ 304,340	$ 253,593	$ –	$ –	$ 304,340	$ 253,593

See accompanying notes to financial statements.

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

Statement of Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Invested in capital assets	Operating Fund	Special Bursary Fund	Total 2025	Total 2024
Fund balances, beginning of year	$ 3,983,111	$ 1,922,359	$ 115,985	$ 6,021,455	$ 5,767,862
Excess (deficiency) of revenue over expenses	(193,945)	498,285	–	304,340	253,593
Inter-fund transfer	–	10,533	(10,533)	–	–
Net change in invested in capital assets	10,842	(10,842)	–	–	–
Fund balances, end of year	$ 3,800,008	$ 2,420,335	$ 105,452	$ 6,325,795	$ 6,021,455

See accompanying notes to financial statements.

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 304,340	$ 253,593
Amortization of capital assets which does not involve cash	193,945	202,297
	498,285	455,890
Change in non-cash operating working capital:		
Accounts receivable	206,245	290,788
Prepaid deposits and expenses	(128,004)	(194,045)
Accounts payable and accrued liabilities	(754,505)	(195,327)
Deferred revenue	(1,859,840)	1,357,154
	(2,037,819)	1,714,460
Financing activities:		
Repayment of credit facilities	–	(607,881)
	–	(607,881)
Investing activities:		
Purchase of capital assets	(10,842)	(30,865)
Sale (purchase) of short-term investments	(1,000,000)	1,000,000
Increase (decrease) in cash	(3,048,661)	2,075,714
Cash, beginning of year	6,386,050	4,310,336
Cash, end of year	$ 3,337,389	$ 6,386,050

See accompanying notes to financial statements.

The mission of the Ontario Association of Children's Aid Societies (the "Association") is to be a leader and collaborator promoting the welfare of children, youth and families through leadership, service excellence and advocacy.

The Association is registered as a charitable organization (registration number 1077 96708 RR0001) and, accordingly, is not subject to income taxes if certain disbursement requirements are met. The Association is incorporated under the laws of Ontario.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association applies fund accounting as follows:

Operating Fund - this fund records the activities associated with the Association's day-to-day operations and its investment in capital assets.

Special Bursary Fund - this fund is to be used to provide bursaries to children under the care of the Children's Aid Societies of Ontario.

(a) Revenue recognition:

The Association follows the deferral method of accounting for contributions.

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. Externally restricted contributions are recorded as revenue of the appropriate fund in the year in which the related expenses occurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured 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. The Association has elected to carry any such financial investments at fair value.

1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(c) Capital assets:

Capital assets costing over $2,500 are recorded at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

Building	40 years
Furniture and equipment	10 years
Computer software	5 years
IT equipment	5 years

Capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts.

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Building	$ 6,744,888	$ 2,987,184	$ 3,757,704	$ 3,931,656
Furniture and equipment	382,566	371,625	10,941	18,345
Computer software	268,031	268,031	–	–
IT equipment	419,811	388,448	31,363	33,110
	$ 7,815,296	$ 4,015,288	$ 3,800,008	$ 3,983,111

3. Deferred revenue:

	2025	2024
Ministry of Children, Community and Social Services ("MCCSS") Projects	$ 482,755	$ 1,809,213
Shared Services Transition Fees	368,909	368,909
Membership fees - YouthCan	327,054	315,413
Other member contributions (CPIN)	197,760	197,760
Other	127,874	162,603
Membership rebates	40,514	550,808
	$ 1,544,866	$ 3,404,706

4. Credit facilities:

The Association has a Letter of Agreement with the Bank of Montreal for the following credit facilities:

(a) Access to an operating facility for up to $1,000,000. The credit facility bears interest at the bank's prime rate plus 0.75% and is repayable on demand. Balance of this lending facility as at year end is fully available.

(b) A demand, non-revolving loan, maturing May 31, 2031 and bearing interest at prime plus 1.25%, with respect to construction financing. This loan was repaid in 2024.

4. Credit facilities (continued):

(c) Access to a demand non-revolving loan up to $350,000 to finance cost of capital improvements to Suite 306, 75 Front Street East. The credit facility bears interest at the bank's prime rate plus 0.75% and is repayable on demand. Balance of this lending facility as at year end is fully available.

(d) Corporate Mastercard (Shared Services Vendor Discount Program) - credit limit $2,500,000.

(e) Corporate Mastercard - credit limit $150,000.

These facilities are secured by a collateral first mortgage over 75 Front Street East, 2nd Floor and Suites 201, 301, 302, 303, 306, 308 and 309, Toronto, Ontario in the amount of $4,000,000 and an assignment of fire insurance over the units aforementioned.

5. Pension plan:

The Association participates in the Ontario Municipal Employees Retirement System contributory defined benefit pension plan, which is a multi-employer defined benefit pension plan. The plan provides pension benefits to most of its employees. The Association follows defined contribution accounting for its contributions, as permitted by the Chartered Professional Accountants of Canada Handbook Section 3462, Employee Future Benefits, under multi-employer benefit plans. The contributions made in the current fiscal year amounts to $516,379 (2024 - $545,975).

Any pension surplus or deficit is a joint responsibility of members and employers and may affect future contribution rates related to members. The Association does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the Association's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at December 31, 2024 indicated an actuarial deficit of $2,913 million.

6. Financial risk:

The Association's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk. The Association's overall management program and business practices seek to minimize any potential adverse effect of those risks on the Association's results of operations. Risk management is carried out by the senior management team under policies approved by the Board of Directors. There is no change to the risk exposure from 2024.

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association's main receivables are from Ontario Children's Aid Society agencies. The Association monitors the credit risk of customers.

(c) Market risk:

The Association's operations include revenue derived from government funding, membership fees and other revenues, which are impacted by general economic conditions and trends. A decline in economic conditions could impact the Association's operations negatively.