

Financial Statements of

**KUNUWANIMANO CHILD
AND FAMILY SERVICES**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kunuwanimano Child and Family Services

Opinion

We have audited the accompanying financial statements of Kunuwanimano Child and Family Services (the Organization), 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 assets (deficiency) for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules 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 Organization as at March 31, 2024, and its results of operations 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 report.

We are independent of the Organization 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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Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Organization has a working capital and unrestricted net asset deficiency as at March 31, 2024. 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 that a material uncertainty exists that may cast significant doubt on the Organization'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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 Organization'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 Organization'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 Organization 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

Sudbury, Canada

August 8, 2024

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Financial Position

March 31, 2024, with comparative information for 2023



| | 2024 | 2023 |
|-------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 7,770,362 | \$ 6,185,805 |
| Short-term deposits (note 4) | 206,094 | 201,201 |
| Accounts receivable (note 5) | 4,476,819 | 3,851,326 |
| Prepaid expenses and deposits | 352,703 | 376,081 |
| | <u>12,805,978</u> | <u>10,614,413</u> |
| Capital assets (note 7) | 12,449,502 | 11,753,084 |
| | <u>\$ 25,255,480</u> | <u>\$ 22,367,497</u> |

Liabilities and Net Deficiency

| | | |
|---|----------------------|----------------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities (note 13) | \$ 2,444,994 | \$ 3,749,234 |
| Vacation and banked overtime | 220,057 | 191,325 |
| Due to Ministry of Children, Community and Social Services (note 6) | 57,305 | 57,035 |
| Deferred revenue (note 8) | 10,877,530 | 8,700,916 |
| | <u>13,599,886</u> | <u>12,698,510</u> |
| Deferred capital contributions (note 9) | 12,402,731 | 11,652,968 |
| | <u>26,002,617</u> | <u>24,351,478</u> |
| Net deficiency | (747,137) | (1,983,981) |
| Going concern (note 1) | | |
| Commitments (note 11) | | |
| Contingent liabilities (note 15) | | |
| | <u>\$ 25,255,480</u> | <u>\$ 22,367,497</u> |

See accompanying notes to financial statements.

On behalf of the Board:

 Director
 Director

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Operations

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

| | 2024 | | | 2023 |
|--|---------------|-------------|---------------|---------------|
| | Operations | Capital | Total | Total |
| Revenue: | | | | |
| Ministry of Children, Community and Social Services (note 12) | \$ 16,582,268 | \$ - | \$ 16,582,268 | \$ 16,302,407 |
| Ministry of Children, Community and Social Services Deficit Assistance Funding | 1,573,546 | - | 1,573,546 | 2,753,897 |
| Indigenous Services Canada | 8,878,756 | - | 8,878,756 | 5,590,637 |
| Children's special allowance | 1,215,559 | - | 1,215,559 | 1,043,435 |
| Child and Family Services Agencies | 521,485 | - | 521,485 | 495,033 |
| Other income | 137,590 | - | 137,590 | 234,045 |
| Ontario Child Benefit Equivalent | 146,270 | - | 146,270 | 126,552 |
| Amortization of deferred capital contributions | - | 917,978 | 917,978 | 925,202 |
| | 29,055,474 | 917,978 | 29,973,452 | 27,471,208 |
| Expenses: | | | | |
| Salaries and benefits | 13,479,804 | - | 13,479,804 | 12,509,664 |
| Boarding rate payment | 6,231,252 | - | 6,231,252 | 5,544,167 |
| Transfers to First Nations | 1,775,575 | - | 1,775,575 | 1,228,000 |
| Travel | 1,139,729 | - | 1,139,729 | 1,046,477 |
| Building occupancy | 987,143 | - | 987,143 | 696,464 |
| Client personal needs | 590,487 | - | 590,487 | 681,280 |
| Professional services - client | 653,586 | - | 653,586 | 880,935 |
| Program costs | 1,168,766 | - | 1,168,766 | 492,852 |
| Office and general | 489,358 | - | 489,358 | 371,279 |
| Technology | 505,517 | - | 505,517 | 542,440 |
| Training and recruitment | 87,025 | - | 87,025 | 149,827 |
| Professional services - non-client | 118,535 | - | 118,535 | 105,880 |
| Promotion and publicity | 11,078 | - | 11,078 | 77,603 |
| Membership and miscellaneous | 152,150 | - | 152,150 | 155,542 |
| Health and related | 340,507 | - | 340,507 | 266,070 |
| Financial assistance | 27,068 | - | 27,068 | 98,165 |
| Amortization of capital assets | - | 971,323 | 971,323 | 990,846 |
| | 27,757,580 | 971,323 | 28,728,903 | 25,837,491 |
| Excess (deficiency) of revenue over expenses | 1,297,894 | (53,345) | 1,244,549 | 1,633,717 |
| Repayable to funder | 7,705 | - | 7,705 | - |
| Excess (deficiency) of revenue over expenses | \$ 1,290,189 | \$ (53,345) | \$ 1,236,844 | \$ 1,633,717 |

See accompanying notes to financial statements.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Changes in Net Assets (Deficiency)

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

| | March 31, 2024 | | | | |
|--|---------------------|---------------------|---------------------|------------------|---------------------|
| | Operating | Unrestricted | | Capital | Total |
| | | Employment related | Total Unrestricted | | |
| Net assets (deficiency), beginning of year | \$ (1,892,772) | \$ (191,325) | \$ (2,084,097) | \$ 100,116 | \$ (1,983,981) |
| Excess (deficiency) of revenue over expenses | 1,318,921 | (28,732) | 1,290,189 | (53,345) | 1,236,844 |
| Net assets (deficiency), end of year | \$ (573,851) | \$ (220,057) | \$ (793,908) | \$ 46,771 | \$ (747,137) |

| | March 31, 2023 | | | | |
|--|-----------------------|---------------------|-----------------------|-------------------|-----------------------|
| | Operating | Unrestricted | | Capital | Total |
| | | Employment related | Total Unrestricted | | |
| Net assets (deficiency), beginning of year | \$ (3,233,248) | \$ (550,210) | \$ (3,783,458) | \$ 165,760 | \$ (3,617,698) |
| Excess (deficiency) of revenue over expenses | 1,340,476 | 358,885 | 1,699,361 | (65,644) | 1,633,717 |
| Net assets (deficiency), end of year | \$ (1,892,772) | \$ (191,325) | \$ (2,084,097) | \$ 100,116 | \$ (1,983,981) |

See accompanying notes to financial statements.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Statement of Cash Flows

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

| | 2024 | 2023 |
|---|--------------|--------------|
| Cash flows from operating activities: | | |
| Excess of revenue over expenses | \$ 1,236,844 | \$ 1,633,717 |
| Items not involving cash: | | |
| Amortization of capital assets | 971,323 | 990,846 |
| Amortization of deferred capital contributions | (917,978) | (925,202) |
| | 1,290,189 | 1,699,361 |
| Change in non-cash working capital: | | |
| Increase in accounts receivable | (625,493) | (3,262,015) |
| Decrease (increase) in prepaid expenses and deposits | 23,378 | (198,483) |
| (Decrease) increase in accounts payable and accrued liabilities | (1,304,240) | 1,787,541 |
| Increase (decrease) in vacation and banked overtime | 28,732 | (358,885) |
| Increase in deferred revenue | 2,176,614 | 1,070,817 |
| Increase (decrease) in due to Ministry of Children, Community and Social Services | 270 | (67,500) |
| | 1,589,450 | 670,836 |
| Cash flows from investing activities: | | |
| Change in short-term investments | (4,893) | (1,201) |
| Cash flows from capital activities: | | |
| Capital asset additions | (1,667,741) | (2,928,409) |
| Deferred capital contributions | 1,667,741 | 2,928,409 |
| | - | - |
| Increase in cash | 1,584,557 | 669,635 |
| Cash, beginning of year | 6,185,805 | 5,516,170 |
| Cash, end of year | \$ 7,770,362 | \$ 6,185,805 |

See accompanying notes to financial statements.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements

Year ended March 31, 2024

Kunuwanimano Child and Family Services (the "Organization") is incorporated as a non-profit entity without share capital. The Organization administers funds and performs services as contracted with various funding bodies pursuant to the terms and conditions of the applicable contribution agreements.

1. Going concern:

These financial statements have been prepared assuming the Organization will continue as a going concern. The going concern basis of presentation assumes the Organization will continue in operation for the foreseeable future and can realize its assets and discharge its liabilities and commitments in the normal course of business.

The Organization has negative working capital of \$793,908 and an accumulated net asset deficiency of \$747,137. As a result, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Organization's ability to continue as a going concern and, therefore, the Organization may be unable to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Organization to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent upon the continued support from its funders and on its ability to restore and maintain profitable operations in the future. The ability to move to profitable operations in the future depends upon future funding from various funders. No assurance can be given that additional funding will be available in the future from other sources or that, if available, it can be obtained on terms favourable to the Organization.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying amount of assets, the reported revenues and expenses, and the balance sheet classifications used to reflect these on a liquidation basis which could differ from accounting principles applicable to a going concern.

2. Significant accounting policies:

(a) Basis of presentation:

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. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Organization accounts for contributions, which include donations and government grants, under the deferral method of accounting as follows:

- Operating grants are recorded as revenue in the period to which they relate.
- Grants and donations relating to future periods are deferred and recognized in the subsequent period when the related activity occurs.
- Grants approved but not received are accrued.
- Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.
- Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.
- Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at rates corresponding to those of the related capital assets.

(c) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis to amortize the assets over their estimated useful lives as follows:

| Asset | Useful Life - Years |
|-------------------------|------------------------|
| Vehicles | 5 years |
| Furniture and equipment | 10 years |
| Computers | 5 years |
| Leasehold improvements | 3 to 5 years |
| Buildings | 40 years |

Assets under construction are not amortized until they are put in use.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(d) Pension plan:

The Organization provides a pension plan for all its full-time employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the Fund), and provides pension for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Organization to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contributions pension plans are recognized as an employee benefits expense in net income when they are due.

(e) Vacation and banked overtime:

Vacation and banked overtime are accrued for as entitlements are earned.

(f) Deferred capital contributions:

Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital asset. Unexpended and unamortized capital asset contributions are recorded as deferred capital contributions on the statement of financial position.

(g) Funding settlements:

The Organization receives the majority of its funding from the Ministry of Children, Community and Social Services. The operations of the Organization 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 in the current year by adjusting revenue.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(h) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market would be recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value would be recognized in the statement of remeasurement gains and losses until they are realized, when they would be transferred to the statement of operations. As there have been no unrealized changes in fair value to note, a statement of remeasurement gains and losses has not been presented.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

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 |

The Organization has selected to account for transactions at the trade date.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(i) 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. 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.

(j) Asset retirement obligations:

The Organization recognizes the fair value of an Asset Retirement Obligation ("ARO") when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for asset retirement obligations has not been recorded in these financial statements. Given the nature of the assets, the age of the facilities and the remediation work completed to date it was determined there is no further legal obligation on the part of the Organization to complete remediation efforts.

3. Change in accounting policies:

On April 1, 2023, the Organization adopted Public 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 Organization determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

4. Short-term deposits:

The short-term deposits consist of cashable guaranteed investment certificates bearing interest at the rate of 2.25% and maturing in December 2024. The balance of the guaranteed investment certificate is \$206,094 (2023 - \$201,201).

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

5. Accounts receivable:

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Ministry of Children, Community and Social Services | \$ 1,573,546 | \$ 2,201,679 |
| HST | 1,505,776 | 966,984 |
| Indigenous Services Canada | 1,306,559 | 605,080 |
| Other | 90,938 | 77,583 |
| | \$ 4,476,819 | \$ 3,851,326 |

6. Due to Ministry of Children, Community and Social Services:

The amounts due to the Ministry of Children, Community and Social Services are comprised of:

| | 2024 | 2023 |
|----------------------|------------------|------------------|
| 2016 – Child Welfare | \$ 46,728 | \$ 46,728 |
| 2020 – Prevention | 10,577 | 10,307 |
| | \$ 57,305 | \$ 57,035 |

7. Capital assets:

| 2024 | Cost | Accumulated amortization | Net book value |
|-------------------------|----------------------|-----------------------------|----------------------|
| Vehicles | \$ 1,902,372 | \$ 1,159,966 | \$ 742,406 |
| Furniture and equipment | 2,457,527 | 1,296,532 | 1,160,995 |
| Computers | 1,475,246 | 1,319,496 | 155,750 |
| Leasehold improvements | 324,426 | 324,426 | – |
| Buildings | 11,406,009 | 1,015,658 | 10,390,351 |
| | \$ 17,565,580 | \$ 5,116,078 | \$ 12,449,502 |

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Capital assets (continued):

| 2023 | Cost | Accumulated amortization | Net book value |
|-------------------------|---------------|--------------------------|----------------|
| Vehicles | \$ 1,709,591 | \$ 837,926 | \$ 871,665 |
| Furniture and equipment | 2,430,045 | 1,056,440 | 1,373,605 |
| Computers | 1,404,626 | 1,195,455 | 209,171 |
| Leasehold improvements | 324,426 | 324,426 | — |
| Buildings | 10,029,151 | 730,508 | 9,298,643 |
| | \$ 15,897,839 | \$ 4,144,755 | \$ 11,753,084 |

8. Deferred revenue:

| | 2024 | 2023 |
|----------------------------|---------------|--------------|
| Indigenous Services Canada | \$ 9,563,852 | \$ 7,566,289 |
| Ontario Child Benefit | 1,313,678 | 1,134,627 |
| | \$ 10,877,530 | \$ 8,700,916 |

9. Deferred capital contributions:

Deferred capital contributions represent the unamortized balance of contributions received for capital asset acquisitions. Details of the continuity of these funds are as follows:

| | 2024 | 2023 |
|--|---------------|---------------|
| Balance, beginning of year | \$ 11,652,968 | \$ 9,649,761 |
| Contributions received during the year | 1,667,741 | 2,928,409 |
| Amounts amortized to revenue | (917,978) | (925,202) |
| Balance, end of year | \$ 12,402,731 | \$ 11,652,968 |

10. Demand line of credit:

The Organization has an approved credit facility of up to \$225,000 (2023 - \$225,000) bearing interest at the bank prime lending rate plus 1.25%, secured by a general security agreement. The balance on the demand line of credit at fiscal year-end is \$Nil (2023 - \$Nil).

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

11. Commitments:

The Organization is committed to payments under various contractual agreements through to 2025 in the following amounts annually:

| | | |
|------|----|--------|
| 2025 | \$ | 79,004 |
|------|----|--------|

12. Ministry of Children, Community and Social Services:

| | 2024 | 2023 |
|--------------------------------|---------------|---------------|
| Funding per agreement: | | |
| Child Welfare | \$ 15,061,402 | \$ 14,604,085 |
| Prevention | 1,321,468 | 1,321,468 |
| Ready Set Go | 88,935 | – |
| Housing Support Worker | 75,000 | 75,000 |
| Education Liaison | 92,460 | 382,665 |
| Other adjustments: | | |
| Deferred capital contributions | (56,997) | (73,106) |
| | \$ 16,582,268 | \$ 16,310,112 |

13. Accounts payable and accrued liabilities:

The Organization receives Universal Child Care Benefit (“UCCB”) payments from the Canada Revenue Agency on behalf of children in their care. Per direction from the Ministry of Children, Community and Social Services, the UCCB funds are used to establish Registered Education Savings Plans (“RESPs”) on behalf of these children. During the current year, the Organization received payments in the amount of \$239,360 (2023 - \$228,560) from the Canada Revenue Agency. As at March 31, 2024, the Organization has an amount of \$753,663 (2023 - \$959,201) included in accounts payable to be deposited to the individuals RESPs.

14. Pension plan contributions:

The Organization provides a pension plan for its employees through Manulife. The plan is a single-employer, contributory defined pension plan with equal contributions by employer and its employees (excludes additional voluntary contributions made by members). In 2024, the Organization made employer contributions of \$21,672 (2023 - \$14,911).

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

14. Pension plan contributions (continued):

The Organization provides an additional pension plan for some of its employees through OMERS. OMERS provides pension services to more than 500,000 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 disclosed total going concern actuarial liabilities of \$136,185 million (2022 - \$130,306 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$131,983 million (2022 - \$123,628 million) indicating a going concern actuarial deficit of \$4,202 million (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 and the Authority's share is not determinable. As a result, the Organization does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2024 was \$971,069 (2023 - \$910,920) for current service and is included as an expense on the statement of operations.

15. Contingent liabilities:

The Organization is involved in certain legal matters and litigation, the outcome of which is not presently determinable. The loss, if any, from these contingencies will be accounted for in the period in which the matter is resolved.

16. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The Organization is exposed to credit risk relating to its cash, grants and accounts receivable and short-term deposits. The Organization holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are comprised of government and other receivables. Government receivables are ultimately due primarily from the Ministry of Children, Community and Social Services, Indigenous Services Canada as well as other government entities, and credit risk is mitigated by the governmental nature of the funding sources. Other receivables arise during the course of the Organization's normal operations and are due from a diverse customer base. The Organization measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Organization's historical experience regarding collections.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

16. Financial risks and concentration of risk (continued):

(a) Credit risk (continued):

The maximum exposure to credit risk of the Organization at March 31, 2024 is the carrying value of these assets.

The amounts outstanding at year end were as follows:

| As at March 31, 2024 | 1 - 90 days | 91 - 180 days | 181 - 270 days | 270+ days | Total |
|-------------------------|---------------------|------------------|-------------------|-----------------|---------------------|
| Grants receivable | \$ 2,880,105 | \$ - | \$ - | \$ - | \$ 2,880,105 |
| Accounts receivables | 1,580,629 | 11,981 | - | 4,104 | 1,596,714 |
| Net receivables | \$ 4,460,734 | \$ 11,981 | \$ - | \$ 4,104 | \$ 4,476,819 |

| As at March 31, 2023 | 1 - 90 days | 91 - 180 days | 181 - 270 days | 270+ days | Total |
|-------------------------|---------------------|------------------|-------------------|------------------|---------------------|
| Grants receivable | \$ 2,734,753 | \$ - | \$ - | \$ - | \$ 2,734,753 |
| Accounts receivables | 1,011,316 | 5,043 | 1,815 | 98,399 | 1,116,573 |
| Net receivables | \$ 3,746,069 | \$ 5,043 | \$ 1,815 | \$ 98,399 | \$ 3,851,326 |

There have been no significant changes from the previous year in the Organization's exposure to credit risk or its policies, procedures and methods used to measure the risk.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. There are no significant market risks noted for the Organization as there are no investments held, no long-term debt and no amounts denoted in foreign currencies.

(c) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet all of its cash outflow obligations as they come due. The Organization mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. Accounts payable are all current and no long-term debt is outstanding.

There have been no significant changes from the previous year in the Organization's exposure to liquidity risk or policies, procedures and methods used to measure the risk.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Notes to Financial Statements (continued)

Year ended March 31, 2024

16. Financial risks and concentration of risk (continued):

(c) Liquidity risk (continued):

The contractual maturities (representing undiscounted contractual cash flows) of accounts payable and accrued liabilities as included within the March 31, 2024 and March 31, 2023 financial statements are due within 6 months of year end.

17. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current period. The changes do not affect the prior year excess of revenue over expenses for the year.

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule of Operations - ISC Funded Programs

Year ended March 31, 2024

| | Operations | Capital | Post-Majority Care | Jordan's Principle | Jordan's Principle - Individual Claims | 2024 |
|--|------------------|-------------|-----------------------|-----------------------|---|---------------------|
| Revenue: | | | | | | |
| Indigenous Services Canada | \$ 6,630,313 | 1,471,498 | 425,438 | 873,402 | 1,088,849 | \$ 10,489,500 |
| Other revenue | 55,435 | - | - | - | - | 55,435 |
| Amortization of deferred capital contributions | - | 582,480 | 23,090 | - | - | 605,570 |
| | 6,685,748 | 2,053,978 | 448,528 | 873,402 | 1,088,849 | 11,150,505 |
| Expenses: | | | | | | |
| Transfers to First Nations | 1,775,575 | - | - | - | - | 1,775,575 |
| Salaries and wages | 1,211,187 | - | 104,251 | 383,131 | - | 1,698,569 |
| Benefits | 424,571 | - | 37,088 | 118,452 | - | 580,111 |
| Travel | 70,291 | - | 434 | 757 | - | 71,482 |
| Training and recruitment | 8,813 | - | - | 13,146 | - | 21,959 |
| Program costs | 20,732 | - | 8,615 | - | 1,088,007 | 1,117,354 |
| Professional services - client | 465,811 | - | 114,342 | - | - | 580,153 |
| Office and general | 2,526,751 | - | 107,049 | 302,243 | - | 2,936,043 |
| Building occupancy | 3,848 | - | 319,853 | 12,500 | - | 336,201 |
| Technology | 3,872 | - | - | - | - | 3,872 |
| Membership and miscellaneous | 130,142 | - | - | - | - | 130,142 |
| Amortization of capital assets | - | 582,480 | 23,090 | - | - | 605,570 |
| | 6,641,593 | 582,480 | 714,722 | 830,229 | 1,088,007 | 9,857,031 |
| Excess (deficiency) of revenue over expenses before transfers to deferred capital contributions | 44,155 | 1,471,498 | (266,194) | 43,173 | 842 | 1,293,474 |
| Transfers to deferred capital contributions | - | (1,471,498) | (139,246) | - | - | (1,610,744) |
| Excess (deficiency) of revenue over expenses before undernoted items | 44,155 | - | (405,440) | 43,173 | 842 | (317,270) |
| Amortization of capital assets | - | 582,480 | 23,090 | - | - | 605,570 |
| Amortization of deferred capital contributions | - | (582,480) | (23,090) | - | - | (605,570) |
| Change in vacation entitlement and banked overtime | 11,280 | - | - | (6,098) | - | 5,182 |
| Excess (deficiency) of revenue over expenses | \$ 55,435 | - | (405,440) | 37,075 | 842 | \$ (312,088) |

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule of Operations by Program - MCCSS Funded Programs

Year ended March 31, 2024

| | Child Welfare | Prevention | Ontario Child Benefit Equivalent | Education Liaison | Mental Health | Housing Support Worker | 2024 |
|---|---------------------|------------|----------------------------------|-------------------|---------------|------------------------|---------------------|
| Revenue: | | | | | | | |
| Ministry of Children, Community and Social Services | \$ 15,150,337 | 1,321,468 | - | 92,460 | - | 75,000 | \$ 16,639,265 |
| Ministry of Children, Community and Social Services Deficit | | | | | | | |
| Assistance Funding | 1,573,546 | - | - | - | - | - | 1,573,546 |
| Children's special allowance | 1,215,559 | - | - | - | - | - | 1,215,559 |
| Amortization of deferred capital contributions | 185,672 | 5,471 | - | 1,399 | 119,866 | - | 312,408 |
| Child and Family Services Agencies | 521,485 | - | - | - | - | - | 521,485 |
| Ontario Child Benefit Equivalent | - | - | 146,270 | - | - | - | 146,270 |
| Ministry of Health | - | - | - | - | 7,705 | - | 7,705 |
| Other income | 74,450 | - | - | - | - | - | 74,450 |
| | 18,721,049 | 1,326,939 | 146,270 | 93,859 | 127,571 | 75,000 | 20,490,688 |
| Expenses: | | | | | | | |
| Salaries and wages | 7,600,745 | 806,669 | - | 60,811 | - | 45,162 | 8,513,387 |
| Benefits | 2,422,572 | 247,213 | - | 13,114 | - | 4,838 | 2,687,737 |
| Travel | 1,036,048 | 29,199 | - | 1,000 | - | 2,000 | 1,068,247 |
| Training and recruitment | 70,667 | 7,899 | - | 1,000 | - | 3,000 | 82,566 |
| Program costs | 26,159 | 16,253 | - | 4,000 | - | 5,000 | 51,412 |
| Professional services - client | 73,433 | - | - | - | - | - | 73,433 |
| Client personal needs | 444,217 | - | 146,270 | - | - | - | 590,487 |
| Financial assistance | 27,068 | - | - | - | - | - | 27,068 |
| Health and related | 340,507 | - | - | - | - | - | 340,507 |
| Building occupancy | 627,102 | 32,805 | - | 1,535 | - | 2,000 | 663,442 |
| Professional services - non-client | 118,535 | - | - | - | - | - | 118,535 |
| Promotion and publicity | 10,428 | 650 | - | - | - | - | 11,078 |
| Office and general | 247,438 | 26,687 | - | 4,000 | - | 5,000 | 283,125 |
| Membership and miscellaneous | 22,008 | - | - | - | - | - | 22,008 |
| Society foster, kinship and other care | 4,251,160 | - | - | - | - | - | 4,251,160 |
| Purchased foster and group care | 1,980,092 | - | - | - | - | - | 1,980,092 |
| Technology | 376,045 | - | - | - | - | - | 376,045 |
| Repayable to funder | | | | | | | |
| Amortization of capital assets | 236,472 | 8,016 | - | 1,399 | 119,866 | - | 365,753 |
| Administration recoveries | (2,816,995) | 167,478 | - | 7,000 | - | 8,307 | (2,634,210) |
| | 17,093,701 | 1,342,869 | 146,270 | 93,859 | 119,866 | 75,307 | 18,871,872 |
| Repayable to funder | - | - | - | - | 7,705 | - | 7,705 |
| Excess (deficiency) of revenue over expenses before transfers to deferred capital contributions | 1,627,348 | (15,930) | - | - | - | (307) | 1,611,111 |
| Transfers to deferred capital contributions | (56,997) | - | - | - | - | - | (56,997) |
| Excess (deficiency) of revenue over expenses before undernoted items | 1,570,351 | (15,930) | - | - | - | (307) | 1,554,114 |
| Amortization of capital assets | 236,472 | 8,016 | - | 1,399 | 119,866 | - | 365,753 |
| Amortization of deferred capital contributions | (185,671) | (5,471) | - | (1,399) | (119,866) | - | (312,407) |
| Change in vacation entitlement and banked overtime | (47,606) | 13,385 | - | - | - | 307 | (33,914) |
| Excess of revenue over expenses | \$ 1,573,546 | - | - | - | - | - | \$ 1,573,546 |

KUNUWANIMANO CHILD AND FAMILY SERVICES

Schedule of Operations - Child Welfare

Year ended March 31, 2024

| | Non-Residential Services | Residential Services | Legal Services | Travel | Boarding Rates | Infrastructure & Admin Support Services | Technology | 2024 |
|--|-----------------------------|-------------------------|-------------------|---------|-------------------|--|------------|---------------|
| Revenue: | | | | | | | | |
| Ministry of Children, Community and Social Services | \$ 2,903,610 | 2,786,472 | 383,631 | 572,794 | 6,231,966 | 1,375,379 | 896,485 | \$ 15,150,337 |
| Ministry of Children, Community and Social Services Deficit Assistance Funding | - | - | - | - | - | 1,573,546 | - | 1,573,546 |
| Children's special allowance | - | 1,215,559 | - | - | - | - | - | 1,215,559 |
| Amortization of deferred capital contributions | - | - | - | - | - | 84,307 | 101,365 | 185,672 |
| Child and Family Services Agencies | - | 521,485 | - | - | - | - | - | 521,485 |
| Other income | - | 10,964 | - | - | - | 63,486 | - | 74,450 |
| | 2,903,610 | 4,534,480 | 383,631 | 572,794 | 6,231,966 | 3,096,718 | 997,850 | 18,721,049 |
| Expenses: | | | | | | | | |
| Salaries and wages | 2,182,054 | 2,679,982 | 274,419 | - | - | 2,189,759 | 274,531 | 7,600,745 |
| Benefits | 694,282 | 865,592 | 91,428 | - | - | 671,185 | 100,085 | 2,422,572 |
| Travel | - | 106,823 | - | 569,879 | - | 359,346 | - | 1,036,048 |
| Training and recruitment | - | 2,854 | 4,436 | - | - | 63,377 | - | 70,667 |
| Program costs | 3,924 | 22,235 | - | - | - | - | - | 26,159 |
| Professional services - client | - | 73,358 | - | 75 | - | - | - | 73,433 |
| Client personal needs | 14,856 | 428,689 | - | 148 | 524 | - | - | 444,217 |
| Financial assistance | 27,068 | - | - | - | - | - | - | 27,068 |
| Health and related | 1,621 | 338,886 | - | - | - | - | - | 340,507 |
| Building occupancy | - | 600 | - | 2,509 | - | 623,993 | - | 627,102 |
| Professional services - non-client | - | - | 155 | - | - | 118,380 | - | 118,535 |
| Promotion and publicity | - | - | - | 48 | - | 10,380 | - | 10,428 |
| Office and general | - | 292 | 495 | 135 | 190 | 246,326 | - | 247,438 |
| Membership and miscellaneous | - | - | 2,210 | - | - | 19,798 | - | 22,008 |
| Society Foster, kinship and other care | - | - | - | - | 4,251,160 | - | - | 4,251,160 |
| Purchased foster and group care | - | - | - | - | 1,980,092 | - | - | 1,980,092 |
| Technology expense (recovery) | - | - | 4,754 | - | - | (104,076) | 475,367 | 376,045 |
| Amortization of capital assets | - | - | - | - | - | 135,107 | 101,365 | 236,472 |
| Administration recoveries | (29,636) | - | - | - | - | (2,787,359) | - | (2,816,995) |
| | 2,894,169 | 4,519,311 | 377,897 | 572,794 | 6,231,966 | 1,546,216 | 951,348 | 17,093,701 |
| Repayable to funder | - | - | - | - | - | - | - | - |
| Excess of revenue over expenses before transfers to deferred capital contributions | 9,441 | 15,169 | 5,734 | - | - | 1,550,502 | 46,502 | 1,627,348 |
| Transfers to deferred capital contributions | - | - | - | - | - | (11,094) | (45,903) | (56,997) |
| Excess of revenue over expenses before undernoted items | 9,441 | 15,169 | 5,734 | - | - | 1,539,408 | 599 | 1,570,351 |
| Amortization of capital assets | - | - | - | - | - | 135,107 | 101,365 | 236,472 |
| Amortization of deferred capital contributions | - | - | - | - | - | (84,306) | (101,365) | (185,671) |
| Change in vacation entitlement and banked overtime | (9,441) | (15,169) | (5,734) | - | - | (16,663) | (599) | (47,606) |
| Excess of revenue over expenses | \$ - | - | - | - | - | 1,573,546 | - | \$ 1,573,546 |