

Dufferin Child and Family Services
Financial Statements
For the year ended March 31, 2021

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Contents

Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Schedule of Expenses	5
Statement of Cash Flows	6
Statement of Remeasurement Gains and Losses	7
Summary of Significant Accounting Policies	8
Notes to Financial Statements	11

Dufferin Child and Family Services
Financial Statements
For the year ended March 31, 2021

Contents

Unaudited Program Schedules of Revenue and Expenses	
Child Protection Service	20
Children's Mental Health Programs	21
Developmental Support Services	22
Direct Client Funding - DSS	23
Autism Programs	24
Ontario Child Benefit Equivalent (OCBe)	25
Dufferin Coalition for Kids	26
Education Liaison	27
Sexual Assault Counselling	28
Inclusion for Children with Additional Needs (iCAN)	29
Passport Funding	30
Ministry of the Attorney General - Headwaters Family Visit Centre	31
MCCSS	32
Provincial COVID Funding	33
Bsocial Program	34

Independent Auditor's Report

To the Members of the Board of Directors of Dufferin Child and Family Services

Opinion

We have audited the financial statements of Dufferin Child and Family Services (the organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in net assets, remeasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2021, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 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.

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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules or exhibits on pages 20 through 34 of the organization's financial statements.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Orangeville, Ontario
June 3, 2021

**Dufferin Child and Family Services
Statement of Financial Position**

March 31	Operating	Dufferin Children's Fund	Total 2021	Total 2020
Assets				
Current				
Cash	\$2,196,553	\$ 369,128	\$2,565,681	\$ 2,316,268
Short-term investments (Note 1)	-	703,092	703,092	544,712
Accounts receivable	369,502	191	369,693	211,795
Due from Province	271,465	-	271,465	10,597
Prepaid expenses	38,965	-	38,965	35,108
Interfund balances (Note 3)	320,704	(320,704)	-	-
	<u>3,197,189</u>	<u>751,707</u>	<u>3,948,896</u>	<u>3,118,480</u>
Capital assets (Note 4)	3,737,041	-	3,737,041	3,830,719
	<u>\$6,934,230</u>	<u>\$ 751,707</u>	<u>\$7,685,937</u>	<u>\$ 6,949,199</u>
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	\$1,436,344	\$ -	\$1,436,344	\$ 1,155,861
Client trust funds	153,452	-	153,452	116,077
Deferred revenue (Note 5)	1,303,723	-	1,303,723	1,404,373
Current portion of long-term debt (Note 6)	195,373	-	195,373	2,287,645
	<u>3,088,892</u>	<u>-</u>	<u>3,088,892</u>	<u>4,963,956</u>
Long-term debt (Note 6)	1,916,799	-	1,916,799	-
	<u>5,005,691</u>	<u>-</u>	<u>5,005,691</u>	<u>4,963,956</u>
Net Assets				
Internally restricted (Note 7)	312,958	587,889	900,847	786,308
Unrestricted (Note 7)	1,615,581	-	1,615,581	1,179,069
	<u>1,928,539</u>	<u>587,889</u>	<u>2,516,428</u>	<u>1,965,377</u>
Accumulated Remeasurement Gains	-	163,818	163,818	19,866
	<u>1,928,539</u>	<u>751,707</u>	<u>2,680,246</u>	<u>1,985,243</u>
	<u>\$6,934,230</u>	<u>\$ 751,707</u>	<u>\$7,685,937</u>	<u>\$ 6,949,199</u>

On behalf of the Board:

Lana Palmer, Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Dufferin Child and Family Services Statement of Operations and Changes in Net Assets

For the year ended March 31	Operating (unrestricted)	Dufferin Children's Fund (internally restricted)	Total 2021	Operating (unrestricted)	Dufferin Children's Fund (internally restricted)	Total 2020
Revenue						
Subsidies - Province of Ontario	\$11,362,333	\$ -	\$11,362,333	\$ 11,545,557	\$ -	\$ 11,545,557
- Other	1,580,030	-	1,580,030	1,406,753	-	1,406,753
Donations	-	16,487	16,487	-	63,581	63,581
	12,942,363	16,487	12,958,850	12,952,310	63,581	13,015,891
Expenses (page 5)	13,770,401	15,052	13,785,453	14,356,662	51,504	14,408,166
Other income						
Interest income	(15)	-	(15)	(12,483)	(167)	(12,650)
Other income	(632,441)	(15,372)	(647,813)	(819,064)	(8,323)	(827,387)
Recoveries	(578,656)	(883)	(579,539)	(229,827)	-	(229,827)
(Gain) loss on disposal of capital assets	(4,500)	-	(4,500)	(330,894)	-	(330,894)
	(1,215,612)	(16,255)	(1,231,867)	(1,392,268)	(8,490)	(1,400,758)
Total expenses	12,554,789	(1,203)	12,553,586	12,964,394	43,014	13,007,408
Excess of revenue over expenses before prior year subsidy repayment	387,574	17,690	405,264	(12,084)	20,567	8,483
Prior year subsidy (recovery) repayment	33,678	-	33,678	111,511	-	111,511
Balanced budget fund recovery (Note 10)	(179,465)	-	(179,465)	-	-	-
Excess (deficiency) of revenue over expenses	533,361	17,690	551,051	(123,595)	20,567	(103,028)
Net assets, beginning of year	1,395,178	570,199	1,965,377	1,518,773	549,632	2,068,405
Net assets, end of year	\$ 1,928,539	\$ 587,889	\$ 2,516,428	\$ 1,395,178	\$ 570,199	\$ 1,965,377

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Dufferin Child and Family Services
Schedule of Expenses**

For the year ended March 31	Operating	Dufferin Children's Fund	2021	Operating	Dufferin Children's Fund	2020
Salaries	\$ 6,816,327	\$ -	\$ 6,816,327	\$ 7,083,223	\$ -	\$ 7,083,223
Benefits	1,650,696	-	1,650,696	1,687,268	-	1,687,268
Travel	50,963	-	50,963	118,674	-	118,674
Training	87,598	-	87,598	57,693	-	57,693
Occupancy costs	365,914	-	365,914	296,176	-	296,176
Professional service - non-client	63,420	3,870	67,290	43,693	5,279	48,972
Program	2,144,733	-	2,144,733	2,324,930	12,428	2,337,358
Boarding rate payments	1,542,273	-	1,542,273	1,599,505	-	1,599,505
Professional service - client	21,680	-	21,680	59,387	-	59,387
Clients' personal needs	264,613	-	264,613	254,890	-	254,890
Medical and related services	63,981	-	63,981	78,180	-	78,180
Summer camp	881	990	1,871	2,073	8,840	10,913
Financial assistance	8,897	9,663	18,560	8,741	21,965	30,706
Promotion and publicity	1,707	-	1,707	3,670	2,992	6,662
Administration fee	150,247	529	150,776	161,561	-	161,561
Miscellaneous	73,710	-	73,710	47,367	-	47,367
Technology	155,131	-	155,131	182,066	-	182,066
Amortization	307,630	-	307,630	317,497	-	317,497
Bad debt	-	-	-	30,068	-	30,068
	\$13,770,401	\$ 15,052	\$13,785,453	\$ 14,356,662	\$ 51,504	\$ 14,408,166

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Dufferin Child and Family Services Statement of Cash Flows

For the year ended March 31	2021	2020
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 551,051	\$ (103,028)
Items not involving cash		
Amortization of capital assets	307,630	317,497
(Gain) loss on disposal of capital assets	(4,500)	(330,894)
(Gain) loss on disposal of investments	(569)	(1,112)
	<u>853,612</u>	<u>(117,537)</u>
Changes in non-cash working capital balances		
Accounts receivable	(157,898)	340,070
Due from Province	(260,868)	528,983
Prepaid expenses	(3,857)	53,377
Accounts payable and accrued charges	280,483	(20,788)
Other current liabilities	37,375	9,050
Deferred revenue	(100,650)	1,404,373
	<u>(205,415)</u>	<u>2,315,065</u>
	<u>648,197</u>	<u>2,197,528</u>
Investing activities		
Purchase of capital assets	(213,951)	(47,867)
Proceeds on sale of capital assets	4,500	614,417
Proceeds on sale of investments	1,820	5,975
Purchase of investments	(15,680)	(13,187)
	<u>(223,311)</u>	<u>559,338</u>
Financing activities		
Repayment of long-term debt	(175,473)	(162,189)
Increase in cash	249,413	2,594,677
Cash (bank indebtedness), beginning of year	<u>2,316,268</u>	<u>(278,409)</u>
Cash, end of year	<u>\$ 2,565,681</u>	<u>\$ 2,316,268</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Dufferin Child and Family Services
Statement of Remeasurement Gains and Losses**

For the year ended March 31	2021	2020
Accumulated remeasurement gains, beginning of year	\$ 19,866	\$ 45,321
Unrealized gains (losses) attributable to:		
Investments	<u>143,952</u>	<u>(25,455)</u>
Accumulated remeasurement gains, end of year	\$ 163,818	\$ 19,866

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Dufferin Child and Family Services Summary of Significant Accounting Policies

March 31, 2021

**Management's
Responsibility and
Basis of Accounting**

The financial statements of Dufferin Child and Family Services are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board.

**Nature and Purpose
of Organization**

Dufferin Child and Family Services is a not-for-profit organization incorporated without share capital under the laws of Ontario.

The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

The organization's mission is to advocate for and provide coordinated and quality services for children, families and individuals. The primary service focus is on children most in need of counselling, support and protection from abuse and neglect, while supporting families in their central role of caring for and nurturing children.

Fund Accounting

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

The operating fund accounts for the organization's program delivery and administration activities. This fund reports unrestricted resources, internally restricted resources and restricted operating grants for which there is not a corresponding fund.

The Dufferin Children's fund reports only restricted resources that are to be used for the benefit of children.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Dufferin Child and Family Services Summary of Significant Accounting Policies

March 31, 2021

**Contributions
Receivable**

Contributions receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

Capital Assets

Purchased capital assets are recorded at cost.

Amortization based on the estimated useful life of the asset is calculated using the following rates on a straight line basis over the assets' estimated useful lives.

Building	2.5%
Parking lot	10.0%
Office furniture and equipment	20.0%
Computer hardware and software	33.0%
Vehicles	20.0%

Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with assets owned by the organization, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed in the operating fund as incurred.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, due from province, interfund balances, accounts payable and accrued liabilities, other current liabilities, current portion of long-term debt, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations and changes in net assets. Interest and dividends attributable to financial instruments are reported in the statement of operations and changes in net assets.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations and changes in net assets.

Dufferin Child and Family Services Summary of Significant Accounting Policies

March 31, 2021

Financial Instruments (continued)

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Contributed Services Volunteers assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the operating fund in the period in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the operating fund in the period received and receivable if the amount can be reasonably estimated and collection is reasonably assured.

Prior year grant recoveries are recognized when approved.

Restricted contributions related to the Dufferin Children's fund are recognized as revenue in the Dufferin Children's fund.

Internally restricted investment income is recognized as revenue in the Dufferin Children's fund when earned.

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

1. Short-term Investments

	<u>2021</u>	<u>2020</u>
Mutual funds at fair value	<u>\$ 703,092</u>	<u>\$ 544,712</u>

2. Financial Instrument Classification

Cash and investments are the only financial instruments that are classified in the fair value category. All other financial instruments are reported under the amortized cost category. The maximum exposure to credit risk would be the carrying value of these financial instruments.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 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 (unobservable inputs)

Cash and investments are reported in Level 1.

There were no transfers between the levels for the years ended March 31, 2021 and 2020.

3. Interfund Balances

Interfund balances totaling \$320,704 (2020 - \$15,787) are without specific terms of repayment and are non-interest bearing.

On June 2, 2021, the board approved the transfer of \$320,704 from the operating fund to the Dufferin Children's fund.

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

4. Capital Assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land	\$ 100,000	\$ -	\$ 100,000	\$ 100,000
Building	4,463,618	1,125,214	3,338,404	3,351,124
Office furniture and equipment	1,722,606	1,627,620	94,986	132,155
Computer hardware and software	841,970	722,622	119,348	131,375
Vehicles	161,413	153,345	8,068	24,205
Parking lot	156,246	80,011	76,235	91,860
	<u>\$7,445,853</u>	<u>\$3,708,812</u>	<u>\$3,737,041</u>	<u>\$ 3,830,719</u>

5. Deferred Revenue

Deferred revenue represents prepayments for future services, resources received during the year for events/funding in advance of the event date or the related expenditure, and externally restricted subsidies used in accordance with funding agreements. Changes in deferred revenue are as follows.

	2021	2020
Balance, beginning of year	\$1,404,373	\$ -
Less amount recovered in the year	(259,031)	-
Add amount received related to subsequent years	158,381	1,404,373
Balance, end of year	<u>\$1,303,723</u>	<u>\$ 1,404,373</u>

6. Long-term Debt

	2021	2020
Mortgage payable, TD, interest at 2.527%, repayable in monthly installments of \$20,543. Mortgage matures November 2030.	\$2,112,172	\$ 2,287,645
Less amount due within one year included in current liabilities	195,373	2,287,645
	<u>\$1,916,799</u>	<u>\$ -</u>

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

6. Long-Term Debt (continued)

The TD mortgage is secured by a general security agreement representing a first charge on all assets of the organization, first charge on real property located at 655 Riddell Road, Orangeville, Ontario in the amount of \$4,000,000 and assignment of fire insurance covering the property at 655 Riddell Road.

Interest on long-term debt paid during the year was \$87,681 (2020 - \$109,287) included in occupancy costs on the schedule of expenses.

The organization also has an operating loan available in the amount of \$1,400,000. The facility bears interest at prime less 0.25%. At March 31, 2021, NIL (2020 - NIL) funds were borrowed under this facility.

Principal payments required on long-term debt for the next five years and thereafter are due as follows.

2022	\$ 195,373
2023	200,368
2024	205,384
2025	210,741
2026	216,128
Thereafter	<u>1,084,178</u>
	<u>\$ 2,112,172</u>

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

7. Net Assets - Operating

Net assets (operating) is comprised of the following:

	<u>2021</u>	<u>2020</u>
Internally restricted		
Reserve for Autism programs	\$ 312,958	\$ 215,683
Unrestricted	<u>1,615,581</u>	<u>1,179,495</u>
	<u>\$1,928,539</u>	<u>\$ 1,395,178</u>

On May 25th, 2020, the board approved the transfer of the Autism program deficits totaling \$426 from the unrestricted fund to the Reserve for Autism Programs.

On June 2, 2021, the board approved the transfer of the current year Autism Program surplus of \$96,849 from the unrestricted fund to the Reserve for Autism Programs.

Internally restricted funds are appropriations of surplus made at the discretion of the board and are reviewed annually.

8. Contractual Obligations

The organization has a lease agreement with Skyline Retail Real Estate Holdings Inc. for 200-250 Centennial Road, Orangeville, Ontario commencing August 1, 2020 with a term expiring July 31, 2025. Under the provisions of the agreement, the organization is committed to pay \$157,593 in annual payments to the lessor for the duration of the agreement.

The future annual payments are comprised of the following components:

Base rent	\$ 125,760
Operating costs	<u>31,833</u>
	<u>\$ 157,593</u>

9. Comparative Amounts

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

10. Balanced Budget Fund and Future Access to Surpluses

During 2014, the Ministry of Children and Youth Services (MCYS) announced the creation of the "Balanced Budget Fund" to support Children's Aid Societies in meeting the newly announced balanced budget requirement set out in Regulation 70 and to proactively manage the risks associated with a multi-year budget planning process. The Balanced Budget Fund was developed on an individual CAS basis, in an amount up to each CAS's accumulated surplus that has been returned to the Ministry following the implementation of the new funding model in fiscal 2014.

In order to be eligible to access these funds in a future year, the organization must meet two conditions: (1) the organization must have generated a current year surplus; and (2) in a subsequent year, the organization requires additional funding in an amount up to its total accumulated prior year surplus to balance its budget.

During the 2019 fiscal year, Child Protection Services generated a deficit of \$532,528 of which \$532,528 was recovered from the organization's balanced budget fund in fiscal 2020. During fiscal 2020 year, Child Protection Services generated a deficit of \$283,813. During fiscal 2021, the organization received a subsidy recovery of \$10,609 which lowered their 2020 deficit to \$273,204. On March 26, 2021, they were approved one-time funding from the Balanced Budget Fund in the amount of \$179,465 to further reduce their deficit. This amount has been recorded as a receivable in due from province on the statement of financial position and shown as a balanced budget fund recovery on the statement of operations and changes in net assets.

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

11 Financial Instrument Risk Management

Credit Risk

The organization is exposed to credit risk through the possibility of non-collection of its accounts receivable. The majority of the organization's receivables are from government entities which minimizes the risk of non-collection. The organization also makes sure it meets all of the eligibility criteria for the amounts to ensure they will collect the amounts outstanding. The organization measures impairment based on how long the amounts have been outstanding. For amounts outstanding greater than 91 days, an impairment allowance is set up. The amounts outstanding at year end, which is the organizations maximum exposure to credit risk related to accounts receivable, were as follows:

	Current	31 - 90 days	91 days & over
Accounts receivable	\$ 369,033	\$ 660	\$ -
Due from province	271,465	-	-
Net amount receivable	\$ 640,498	\$ 660	\$ -

Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they fall due. The organization has a planning and budgeting process in place to help determine the funds required to support the organization's normal operating requirements on an ongoing basis. The organization ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain cash balances to meet, at a minimum, expected requirements for a period of at least 90 days. The following table set out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Current	31 - 90 days	91 to 365 days	1 to 5 years
Accounts payable and accrued liabilities	\$ 1,436,344	\$ -	\$ -	\$ -
Other current liabilities	153,452	-	-	-
Current portion of long-term debt	16,010	48,524	130,839	-
Long-term debt	-	-	-	1,916,799
Total financial liabilities	\$ 1,605,806	\$ 48,524	\$ 130,839	\$ 1,916,799

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

11. Financial Instrument Risk Management (continued)

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 changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to other price risk and interest rate risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to other price risk through its investment in mutual funds traded in an active market. The organization manages its other price risk by diversification of investments, utilizing the services of an experienced investment advisor, and oversight by management, the Finance Committee and the Board. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

12. Economic Dependence

The organization receives approximately 95 percent of its operating funding from the Ontario Provincial Government and its various ministries, either directly or indirectly.

13. Pension Agreements

The organization makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer plan on behalf of the employees. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employee based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2021 was \$644,624 (2020 - \$663,472). The contribution rate for 2021 was 9.0% to 15.8% depending on income level (2020 - 9.0% to 15.8%).

OMERS is a multi-employer pension plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the organization does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2020. At that time the plan reported a \$3.2 billion actuarial deficit (2019 - \$3.4 billion actuarial deficit), based on actuarial liabilities of \$111.8 billion (2019 - \$106.4 billion) and actuarial assets of \$108.6 billion (2019 - \$103.0 billion). Ongoing adequacy of the current contribution rates will need to be monitored by OMERS as fluctuations in financial markets may lead to increased future funding requirements.

Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

14. Subsequent Events

COVID-19

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy remains significant. As the impacts of COVID-19 continue, there could be further impact on the organization, its funding and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the organization is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

In response to the emergency declaration in Ontario related to COVID-19, additional funding was obtained and additional costs were incurred by the organization. The funding and additional costs are included in the statement of operations and changes in fund balances for the year ended March 31, 2021.

Funding

MCCSS - various	\$ 80,434
MOHLTC - Pandemic Pay	212
MAG - COVID Initiatives	11,502
CMHA - Joint Ventures	<u>190,350</u>
Total COVID-19 Funding	<u>\$ 282,498</u>

Expenses

Salaries	\$ 127,472
Benefits	30,492
Training	16,528
Health & safety	17,875
Travel	9,028
Child related costs	40,942
Building - fans/heaters/foggers	18,544
Connectivity	<u>36,201</u>
Total COVID-19 Expenses	<u>\$ 297,082</u>

CRA Subsidy

CRA Temporary Wage Subsidy	<u>\$ 25,000</u>
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Dufferin Child and Family Services Notes to Financial Statements

March 31, 2021

14. Subsequent Events (continued)

Dufferin Children's Fund

On September 10, 2019, the organization incorporated the Dufferin Child and Family Foundation as an incorporated not-for-profit organization. Charitable status was granted in 2021 and effective August 2020. In June 2021, all assets of the Dufferin Children's Fund will be eliminated from Dufferin Child and Family Services and rolled into this newly incorporated not-for-profit entity.

15. Contingent Liability

The organization has been named as a defendant in a lawsuit. The organization does have a liability insurance policy. At year end, the outcome of the lawsuit and a reasonable estimate not covered by insurance, if any, is indeterminable due to the uncertain nature of the event. Consequently, no provision for this claim has been made in these financial statements.

**Dufferin Child and Family Services
Child Protection Service
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

	Non-Residential (1000-1010-1020)	Residential (1030-1040)	Permanency (1050)	Targeted Subsidy Agreements	Boarding Rates	Client Related Travel	Legal Services (1090)	Infrastructure and IT Support (1080-1100)	Total (A760)
Revenue									
Province of Ontario	2,098,000	761,000	123,000	205,000	1,580,000	56,000	210,000	1,202,266	6,235,266
Adjustments	10,364	63,000	-	-	-	-	-	60,200	133,564
	<u>2,108,364</u>	<u>824,000</u>	<u>123,000</u>	<u>205,000</u>	<u>1,580,000</u>	<u>56,000</u>	<u>210,000</u>	<u>1,262,466</u>	<u>6,368,830</u>
Expenses									
Salaries	1,662,082	521,361	133,777	-	-	-	160,627	564,846	3,042,693
Benefits	397,239	134,413	30,890	-	-	-	31,342	140,269	734,153
Travel	-	-	-	-	-	34,471	-	5,465	39,936
Training	1,879	6,295	-	-	-	-	473	23,528	32,175
Program expenses	4,834	2,000	-	-	-	-	880	-	7,714
Professional services	-	11,468	-	-	-	-	9,332	-	20,800
Clients' personal needs	840	28,110	-	-	-	-	-	-	28,950
Financial assistance	-	14,277	-	-	-	-	-	-	14,277
Admission prevention	8,898	-	-	-	-	-	-	-	8,898
Client health related	-	63,981	-	-	-	-	-	-	63,981
Purchased foster and group care	-	-	-	-	1,543,663	-	-	-	1,543,663
Adoption probation	-	40,680	-	-	-	-	-	-	40,680
Adoption subsidy expenses	-	-	-	23,056	-	-	-	-	23,056
Targeted subsidy adoptions	-	-	-	198,720	-	-	-	-	198,720
External professional services	-	-	-	-	-	-	-	46,277	46,277
Building occupancy	-	-	-	-	-	-	-	486,193	486,193
Promotion and publicity	-	-	-	-	-	-	-	1,097	1,097
Office administration	-	-	-	-	-	-	-	47,938	47,938
Insurance and memberships	-	-	-	-	-	-	-	90,317	90,317
Technology	-	-	-	-	-	-	-	186,776	186,776
	<u>2,075,772</u>	<u>822,585</u>	<u>164,667</u>	<u>221,776</u>	<u>1,543,663</u>	<u>34,471</u>	<u>202,654</u>	<u>1,592,706</u>	<u>6,658,294</u>
Other Income									
Other income	-	-	-	-	-	-	-	33,176	33,176
Recoveries	-	-	-	-	-	-	-	250,995	250,995
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,171</u>	<u>284,171</u>
Excess (deficiency) of revenue over expenses	32,592	1,415	(41,667)	(16,776)	36,337	21,529	7,346	(46,069)	(5,293)
Surplus receivable from MCCSS	-	-	-	-	-	-	-	-	10,609
Balanced budget fund recovery	-	-	-	-	-	-	-	-	179,465
Fund balance, beginning of year									(512,966)
Fund balance, end of year									<u>(328,185)</u>

**Dufferin Child and Family Services
Children's Mental Health Programs
Funded by MOHLTC
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

	Brief Services (A348)	Counselling / Therapy Services (A349)	Crisis Services (A350)	Family / Caregiver Skills Building & Support (A351)	Access Intake Service Planning (A352)	Intensive Treatment Services (A353)	Service Coordination Process (A354)	Specialized Consultation / Assessment Services (A355)	Targeted Prevention & LGBTQ (A356/357/702)	Total
Revenue										
Province of Ontario	299,868	336,991	218,125	155,709	127,707	174,335	118,510	47,500	55,549	1,534,294
Expenses										
Salaries	213,232	239,004	131,796	109,709	90,639	120,010	84,962	17,210	34,459	1,041,021
Benefits	54,369	49,394	28,947	28,034	24,045	31,651	21,328	3,072	10,129	250,969
Travel	80	-	323	55	-	119	-	-	-	577
Training	3,415	2,439	1,009	2,589	1,009	1,363	1,009	-	-	12,833
Program	1,390	15,913	1,077	1,128	352	5,289	396	22,860	9,496	57,901
Administration fee	27,490	30,886	16,238	14,271	11,709	15,980	10,862	4,358	5,093	136,887
	299,976	337,636	179,390	155,786	127,754	174,412	118,557	47,500	59,177	1,500,188
Other Income										
Recoveries	108	645	47	77	47	77	47	-	3,628	4,676
	108	645	47	77	47	77	47	-	3,628	4,676
Excess (deficiency) of revenue over expenses before subsidy recovery	-	-	38,782	-	-	-	-	-	-	38,782
Prior year subsidy recovery	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenue over expenses	-	-	38,782	-	-	-	-	-	-	38,782
Fund balance, beginning of year	(19,938)	(38,544)	5,903	(265)	(2,676)	52,986	(7,368)	1,606	22,180	13,884
Fund balance, end of year	(19,938)	(38,544)	44,685	(265)	(2,676)	52,986	(7,368)	1,606	22,180	52,666

**Dufferin Child and Family Services
Developmental Support Services
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

	Infant and Child Development (A134/A476)	MFTD Day Respite (A235/A510)	Special Needs/Community Enhancement (A241/A546)	Coordinated Service Planning (A260/0630)	Fetal Alcohol Spectrum Disorder (A261/A514)	Professional and Specialized Services (E1705/9132)	Service Coordination Children (E715/9252)	Behavioural Intervention (E716/9253)	Respite Out of Home (E718/9255)	Special Needs Admin (E1723/9261)	C&FJ Non Res-Duck (E750/A556)	Total
Revenue												
Province of Ontario	250,775	41,000	85,100	301,200	135,000	152,883	161,323	8,598	30,000	55,000	8,000	1,228,879
Expenses												
Salaries	177,909	-	57,053	215,547	78,847	111,847	116,907	6,258	4,726	32,438	-	801,532
Benefits	41,512	-	19,926	57,990	21,027	26,770	29,345	1,351	1,107	9,858	-	208,886
Travel	-	-	-	53	-	132	-	-	-	-	-	185
Training	-	-	-	-	427	-	-	-	-	-	-	427
Program	8,366	11,953	-	-	4,315	120	234	234	21,633	7,204	7,267	61,326
Administration fee	22,988	3,871	8,121	27,610	12,000	14,014	14,837	755	2,734	5,500	733	113,163
	250,775	15,824	85,100	301,200	116,616	152,883	161,323	8,598	30,200	55,000	8,000	1,185,519
Other Income												
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	4,790	-	-	-	200	-	-	4,990
	-	-	-	-	4,790	-	-	-	200	-	-	4,990
Excess (deficiency) of revenue over expenses before subsidy recovery	-	25,176	-	-	23,174	-	-	-	-	-	-	48,350
Prior year subsidy recovery	-	(2,275)	-	-	-	-	-	-	-	-	-	(2,275)
Excess (deficiency) of revenue over expenses	-	22,901	-	-	23,174	-	-	-	-	-	-	46,075
Fund balance, beginning of year	(34,263)	-	(26,228)	-	1,102	-	-	-	-	-	14,811	(44,578)
Fund balance, end of year	(34,263)	22,901	(26,228)	-	24,276	-	-	-	-	-	14,811	1,497

**Dufferin Child and Family Services
Direct Client Funding - DSS
Funded by MCCSS
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

	CSN Individual Placements (E240/A545)	Adult Professional & Specialized Services (0705/9132)	Special Services at Home (0723/9261)	SSAH for MFTD (E234/0509)	Total
Revenue					
Province of Ontario	1,109,142	230,000	578,434	21,180	1,938,756
	1,109,142	230,000	578,434	21,180	
Expenses					
Program	1,083,313	177,970	512,999	19,122	1,793,404
	1,083,313	177,970	512,999	19,122	1,793,404
Excess (deficiency) of revenue over expenses before subsidy recovery	25,829	52,030	65,435	2,058	145,352
Prior year subsidy recovery	(6,373)		(35,639)		(42,012)
Excess (deficiency) of revenue over expenses	19,456	52,030	29,796	2,058	103,340
Fund balance, beginning of year	(3,351)	43,928	(5,132)	2,233	37,678
Fund balance, end of year	16,105	95,958	24,664	4,291	141,018

**Dufferin Child and Family Services
Autism Programs
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

	Ontario Autism Program (0600)	Autism Facilities (0601)	Autism Early Identification (0602)	Autism - COVID & Program Funding (0605)	Autism Fee for Service (0625)	Total
Revenue						
Erin Oaks Centre for Kids	1,259,904	177,207	120,100	89,000	-	1,646,211
Expenses						
Salaries	828,277	-	87,059	55,535	-	970,871
Benefits	217,063	-	18,517	11,758	-	247,338
Travel	8	-	-	-	6	14
Training	6,255	-	-	-	-	6,255
Program	34,035	-	-	-	824	34,859
Other	2,664	177,207	-	7,278	30	187,179
Administration fee	181,503	-	9,510	14,429	-	205,442
	1,269,805	177,207	115,086	89,000	860	1,651,958
Other Income						
Recoveries	9,345	-	-	-	93,251	102,596
	9,345	-	-	-	93,251	102,596
Excess (deficiency) of revenue over expenses before subsidy recovery	(556)	-	5,014	-	92,391	96,849
Prior year subsidy recovery	-	-	-	-	-	-
Excess (deficiency) of revenue over expenses	(556)	-	5,014	-	92,391	96,849
Fund balance, beginning of year	23,762	-	(5,814)	-	197,735	215,683
Interfund transfer (Note 7)						426
Fund balance, end of year	23,206	-	(800)	-	290,126	312,958

**Dufferin Child and Family Services
 Ontario Child Benefit Equivalent/OCBe (1500)
 Funded by Canada Revenue Agency
 Schedule of Revenue and Expenses and Program Balances
 (Unaudited)**

For the year ended March 31	2021	2020
Revenue	\$ 18,943	\$ 46,477
Expenses Program	18,673	46,747
Excess (deficiency) of revenue over expenses	270	(270)
Fund balance, beginning of year	(270)	-
Fund balance, end of year	\$ -	\$ (270)

**Dufferin Child and Family Services
Dufferin Coalition for Kids (DuCK - 0557)
Funded by Dufferin County
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Expenses		
Program	16,036	-
Other income		
Other income	<u>(25,000)</u>	<u>(25,000)</u>
Excess of revenue over expenses	8,964	25,000
Fund balance, beginning of year	<u>21,839</u>	<u>(3,161)</u>
Fund balance, end of year	\$ 30,803	\$ 21,839

**Dufferin Child and Family Services
Education Liaison (E721/0763)
Funded by MCCSS
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Revenue		
Province of Ontario	<u>\$ 83,971</u>	<u>\$ 61,910</u>
Expenses		
Salaries	65,082	47,213
Benefits	12,025	8,533
Program	79	-
Administration fee	<u>6,785</u>	<u>6,200</u>
	<u>83,971</u>	<u>61,946</u>
Excess (deficiency) of revenue over expenses	-	(36)
Fund balance, beginning of year	<u>112</u>	<u>148</u>
Fund balance, end of year	<u>\$ 112</u>	<u>\$ 112</u>

**Dufferin Child and Family Services
Sexual Assault Counselling (0800)
Funded by the Headwaters Health Care Centre
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Revenue		
Subsidies	<u>\$ 74,840</u>	<u>\$ 74,840</u>
Expenses		
Salaries	55,308	51,868
Benefits	12,353	11,645
Travel	-	93
Program	433	3,750
Administration fee	6,860	7,484
	<u>74,954</u>	<u>74,840</u>
Excess (deficiency) of revenue over expenses	(114)	-
Fund balance, beginning of year	<u>56,512</u>	<u>56,512</u>
Fund balance, end of year	<u>\$ 56,398</u>	<u>\$ 56,512</u>

**Dufferin Child and Family Services
(iCAN) Inclusion for Children with Additional Needs (0450)
Funded by Dufferin County
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Expenses		
Salaries	265,524	339,577
Benefits	71,251	72,392
Travel	-	1,863
Training	677	6,163
Program	357	306
Administration fee	37,153	52,371
	<u>374,962</u>	<u>472,672</u>
Other income		
Other income	408,422	456,490
	<u>408,422</u>	<u>456,490</u>
Excess (deficiency) of revenue over expenses	33,460	(16,182)
Fund balance, beginning of year	(16,182)	-
Fund balance, end of year	\$ 17,278	\$ (16,182)

**Dufferin Child and Family Services
Passport Funding (0650)
Funded by MCCSS through Family Service Toronto
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Expenses		
Program	37,516	27,640
Administration fee	3,387	3,023
	40,903	30,663
Other income		
Other income	(43,299)	(30,225)
Excess (deficiency) of revenue over expenses	2,396	(438)
Fund balance, beginning of year	8,973	9,411
Fund balance, end of year	\$ 11,369	\$ 8,973

**Dufferin Child and Family Services
Headwaters Family Visit Centre
Funded by Ministry of the Attorney General (0500)
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Revenue		
Ministry of the Attorney General	<u>\$ 137,559</u>	<u>\$ 144,057</u>
Expenses		
Salaries	75,905	120,011
Benefits	12,981	25,730
Travel	-	493
Training	397	120
Occupancy costs	48,466	6,000
Program	<u>260</u>	<u>204</u>
	138,009	152,558
Other income		
Other income	-	(1,306)
Recoveries	<u>(450)</u>	<u>(7,195)</u>
	<u>137,559</u>	<u>144,057</u>
Excess (deficiency) of revenue over expenses	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

**Dufferin Child and Family Services
MCCSS
Community Capacity (A753/771)
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Revenue		
MCCSS	<u>\$ 49,073</u>	<u>\$ 49,133</u>
Expenses		
Salaries	35,531	37,566
Benefits	8,910	6,465
Program	134	134
Administration fee	<u>4,498</u>	<u>4,908</u>
	<u>49,073</u>	<u>49,073</u>
Excess (deficiency) of revenue over expenses	-	60
Fund balance, beginning of year	<u>(8,319)</u>	<u>(8,379)</u>
Fund balance, end of year	<u>\$ (8,319)</u>	<u>\$ (8,319)</u>

**Dufferin Child and Family Services
 Provincial COVID Funding (0360-0361)
 DCAFS/CMHA Joint MH Initiatives
 Schedule of Revenue and Expenses and Program Balances
 (Unaudited)**

For the year ended March 31	2021	2020
Revenue		
CMHA	<u>\$ 182,850</u>	<u>\$ -</u>
Expenses		
Salaries	56,850	-
Benefits	12,679	-
Training	16,528	-
Program	65,732	-
Office & IT	12,841	-
Administration fee	<u>18,220</u>	<u>-</u>
	<u>182,850</u>	<u>-</u>
Excess (deficiency) of revenue over expenses	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

**Dufferin Child and Family Services
Social Program (1400)
Schedule of Revenue and Expenses and Program Balances
(Unaudited)**

For the year ended March 31	2021	2020
Expenses		
Program	\$ 36,000	\$ -
Excess (deficiency) of revenue over expenses	(36,000)	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ (36,000)	\$ -

