
Financial statements of
Children and Family Services
for York Region

March 31, 2021

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Independent Auditor's Report

To the Board of Directors of
Children and Family Services for York Region

Opinion

We have audited the financial statements of Children and Family Services for York Region (the "Organization"), which comprise the balance sheet as at March 31, 2021, and the statements of revenue and expenses, changes in fund balances, re-measurement gains and losses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively 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, 2021, and the results of its 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 ("Canadian GAAS"). 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 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 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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 8, 2021

Children and Family Services for York Region

Balance sheet

As at March 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash		6,727,884	2,063,506
Accounts receivable	15	2,265,150	1,194,112
Short-term investments	3 and 12	107,777	828,839
Prepaid expenses		664,575	602,689
		9,765,386	4,689,146
Loan to York Region Children's Fund (net of allowance of \$7,118 (\$25,486 in 2020))	14	16,408	8,817
Investments	3 and 12	1,528,138	766,192
Capital assets	4	4,089,002	4,101,642
		15,398,934	9,565,797
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15	7,991,745	5,435,540
Current portion of bank loan	5	259,000	247,000
		8,250,745	5,682,540
Bank loan	5	1,749,000	2,008,000
Deferred capital contribution		12,981	25,491
Deferred leasehold allowance		—	389,974
Derivative liability	11 and 12	256,369	359,351
		10,269,095	8,465,356
Fund balances			
Operating fund		1,900,835	(1,806,072)
Capital fund		2,081,484	1,834,614
Restricted funds	8	1,403,889	1,431,250
		5,386,208	1,459,792
Accumulated re-measurement losses		(256,369)	(359,351)
		5,129,839	1,100,441
		15,398,934	9,565,797

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

Approved on behalf of the Board

_____, Director

_____, Director

Children and Family Services for York Region
Statement of revenue and expenses
Year ended March 31, 2021

	Notes	Operating fund		Capital fund		Restricted funds		Total
		2021	2020	2021	2020	2021	2020	2020
		\$	\$	\$	\$	\$	\$	\$
Revenue								
Provincial grant	15 and 16	48,010,401	48,680,824	—	—	—	—	48,680,824
Contributions and donations		—	—	—	—	54,539	84,338	84,338
Amortization of deferred capital contribution		—	—	12,510	12,510	—	—	12,510
Other income and recoveries		975,072	1,463,521	—	—	326,509	502,741	1,966,262
		48,985,473	50,144,345	12,510	12,510	381,048	587,079	49,379,031
Expenses								
Salaries and wages		23,350,331	24,646,245	—	—	—	—	24,646,245
Employee benefits		6,711,633	7,292,760	—	—	—	—	7,292,760
Travel		293,473	923,795	—	—	552	12,007	935,802
Training and recruitment		192,075	26,720	—	—	321,360	210,807	237,527
Building occupancy		1,237,404	1,115,466	—	—	—	—	1,115,466
Purchased services non-client		509,678	352,315	—	—	—	—	352,315
Boarding rate payments								
Foster care		1,821,672	2,422,233	—	—	—	—	2,422,233
Independent living		1,303,855	906,773	—	—	—	—	906,773
Institutional care		5,751,455	6,902,491	—	—	—	—	6,902,491
Other		1,039	45,764	—	—	—	—	45,764
Purchased services client		950,051	744,254	—	—	—	—	744,254
Clients' personal needs		1,162,268	1,083,036	—	—	—	—	1,083,036
Financial assistance		236,031	108,583	—	—	—	—	108,583
Medical and related		227,001	370,292	—	—	—	—	370,292
Promotion and publicity		50,086	69,116	—	—	—	—	69,116
Office administration		296,127	278,764	—	—	—	—	278,764
Miscellaneous		136,184	136,441	—	—	86,497	235,369	371,810
Mortgage interest		103,175	121,364	—	—	—	—	121,364
Information and technology		441,399	439,402	—	—	—	—	439,402
Amortization of capital assets		—	—	269,269	204,152	—	—	204,152
		44,774,937	47,985,814	269,269	204,152	408,409	458,183	45,452,615
Excess (deficiency) of revenue over expenses		4,210,536	2,158,531	(256,759)	(191,642)	(27,361)	128,896	2,095,785

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

Children and Family Services for York Region
Statement of changes in fund balances
Year ended March 31, 2021

				2021	2020
	Operating fund	Capital fund	Restricted funds	Total	Total
	\$	\$	\$	\$	\$
Fund balances, beginning of year	(1,806,072)	1,834,614	1,431,250	1,459,792	(635,993)
Excess (deficiency) of revenue over expenses	4,210,536	(256,759)	(27,361)	3,926,416	2,095,785
Purchase of capital assets	(256,629)	256,629	—	—	—
Bank loan repayment	(247,000)	247,000	—	—	—
Fund balances, end of year	1,900,835	2,081,484	1,403,889	5,386,208	1,459,792

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

Children and Family Services for York Region
Statement of re-measurement gains and losses
Year ended March 31, 2021

	2021	2020
	\$	\$
Accumulated re-measurement losses, beginning of year	(359,351)	(336,771)
Unrealized gain (loss) attributable to derivatives – interest rate swap	102,982	(22,580)
Accumulated re-measurement losses, end of year	(256,369)	(359,351)

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

Children and Family Services for York Region
Statement of cash flows
Year ended March 31, 2021

	2021 \$	2020 \$
Operating activities		
Excess of revenue over expenses	3,926,416	2,095,785
Items not affecting cash		
Amortization of deferred capital contribution	(12,510)	(12,510)
Amortization of capital assets	269,269	204,152
	4,183,175	2,287,427
Changes in non-cash operating working capital items		
Accounts receivable	(1,071,038)	(562,640)
Prepaid expenses	(61,886)	8,348
Accounts payable and accrued liabilities	2,556,205	84,794
	5,606,456	1,817,929
Financing activities		
Loan to York Region Children's Fund	(7,591)	11,548
Bank loan	(247,000)	(236,000)
	(254,591)	(224,452)
Investing activity		
Net purchases of investments	(40,884)	(157,239)
Capital activities		
Deferred leasehold allowance	(389,974)	(74,558)
Purchase of capital assets	(256,629)	(265,401)
Obligation under capital leases	—	(13,463)
	(646,603)	(353,422)
Net cash inflow	4,664,378	1,082,816
Cash, beginning of year	2,063,506	980,690
Cash, end of year	6,727,884	2,063,506
Supplemental cash disclosure		
Interest paid	103,175	121,364

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

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

1. Mandate and basis of presentation

Children and Family Services for York Region (the "Organization") is responsible for the care and protection of children in York Region as set out under the provisions of The Child and Family Services Act.

The Organization is classified as a registered charity under the Income Tax Act and, as such, is not subject to income tax.

The Organization is deemed to control the York Region Children's Fund. As permitted by Canadian public sector accounting standards for government not-for-profit organizations ("Government NPOs"), the financial information for this controlled entity has been disclosed (in Note 14), rather than consolidated.

2. Significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board.

Financial instruments

Financial instruments reported on the Balance sheet of the Organization are measured as follows:

<u>Financial instrument</u>	<u>Measurement basis</u>
Cash	Amortized cost
Accounts receivable	Amortized cost
Short-term investments	Fair value
Loan to York Region Children's Fund	Amortized cost
Investments	Fair value
Accounts payable and accrued liabilities	Amortized cost
Bank loan	Amortized cost
Derivative liability	Fair value

Under PS 3450, all financial instruments, including derivatives, are included on the Balance sheet and are measured either at fair value or at amortized cost based on the characteristics of the instrument and the Organization's accounting policy choices.

Financial instruments measured at fair value are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Statement of re-measurement gains and losses until they are realized, when they are transferred to the Statement of revenue and expenses. Transaction costs related to financial instruments in the fair value category 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 re-measurement losses, and recognized in the Statement of revenue and expenses. On sale or disposal, the amount held in accumulated re-measurement losses associated with that instrument is removed therefrom and recognized in the Statement of revenue and expenses.

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial instruments measured at amortized cost are initially recognized at cost, and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs of financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of revenue and expenses.

The Organization has designated its investments that would otherwise be classified into the amortized cost category at fair value, as the Organization manages and reports performance over its investment portfolio on a fair value basis.

Revenue recognition

Revenue from donations and fund-raising activities are recorded when received. Restricted contributions are recognized as revenue of the appropriate restricted fund.

Capital assets

Capital assets are initially recorded at cost and are amortized using the straight-line method at the rates disclosed in Note 4.

Deferred leasehold allowance

Deferred leasehold allowance is offset against the related rent expense.

Deferred lease contributions

Deferred capital contributions represent amounts contributed for capital assets and are amortized at the same rate as the related capital assets.

Contributed materials and services

These financial statements do not include the substantial value of services contributed by volunteers, foster parents and other interested parties because of the difficulty of determining their fair value.

Contributed materials, which would normally be purchased, are recorded as revenue and expense at their fair value when such value can be determined.

Use of estimates

In preparing the Organization's financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Accounts which are subject to significant estimates include allowance for doubtful accounts, allowance on the loan to York Region Children's Fund, useful lives of capital assets, accrued liabilities and the derivative liability.

Investment income

Income earned on investments held under the terms of certain trust accounts is included in contributions and donations revenue in the Children's Special Fund of the Restricted funds. All other investment income is included in other income and recoveries in the Statement of revenue and expenses.

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

3. Investments

The investments consist of the following Guaranteed Investment Certificates:

	2021 \$	2020 \$
Short-term investments		
Maturing August 4, 2020, interest at 2.10%	—	170,957
Maturing September 25, 2020, interest at 2.13%	—	201,416
Maturing November 26, 2020, interest at 3.00%	—	222,681
Maturing January 19, 2020, interest at 2.25%	—	233,785
Maturing May 17, 2021, interest at 2.54%	107,777	—
	107,777	828,839
Long-term investments		
Maturing May 17, 2021, interest at 2.54%	—	102,217
Maturing November 28, 2022, interest at 3.31%	446,855	432,539
Maturing May 30, 2023, interest at 3.05%	238,495	231,436
Maturing August 6, 2025, interest at 1.31%	100,850	—
Maturing October 2, 2025, interest at 1.24 to 1.4%	271,738	—
Maturing March 19, 2026, interest at 1.30 to 1.31%	470,200	—
	1,528,138	766,192

4. Capital assets

	Rates	Cost \$	Accumulated amortization \$	2021 Net book value \$	2020 Net book value \$
Land	N/A	1,064,953	—	1,064,953	1,064,953
Building	40 Years	3,945,858	1,354,732	2,591,126	2,689,988
Leasehold improvements	Lease Term	1,112,536	1,070,635	41,901	31,145
Furniture and fixtures	5 Years	1,800,150	1,800,150	—	—
Computers	3-8 Years	2,597,754	2,206,732	391,022	315,556
		10,521,251	6,432,249	4,089,002	4,101,642

5. Bank loan

The Organization has utilized a \$4,500,000 bankers' acceptance loan from the Royal Bank of Canada. The loan bears interest at the Royal Bank of Canada's prime rate, minus 0.10% per annum, plus an acceptance fee of 0.35% per annum, payable monthly. The agreement expires with the maturity of the loan on November 8, 2027.

The loan is secured by a general security agreement, constituting a first ranking security interest in all personal property of the Organization, together with a collateral mortgage in the amount of \$4,500,000, constituting a first charge on the Organization's property.

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

5. Bank loan (continued)

	2021 \$	2020 \$
Balance	2,008,000	2,255,000
Less: current portion	259,000	247,000
Long-term portion	<u>1,749,000</u>	<u>2,008,000</u>

Repayments of the loan as at March 31, 2021 are as follows:

	\$
2022	259,000
2023	271,000
2024	284,000
2025	297,000
2026	310,000
Thereafter	587,000
	<u>2,008,000</u>

Interest expense for the year amounted to \$103,175 (\$121,364 in 2020).

The Organization has entered into a 20-year interest rate swap to hedge the interest rate exposure associated with the loan. The swap effectively locks in the interest rate applicable on the long-term debt at 4.81%. The Notional value of the swap is \$2,008,000 (\$2,255,000 in 2020).

6. Bank facility

The Organization has an unsecured credit facility of \$2.5 million with a Canadian chartered bank. At March 31, 2021 \$nil (\$nil in 2020) was drawn on this facility. Interest is charged on unpaid balances at the rate of prime plus 1%.

7. Lease obligations

The Organization is committed under leases for rent and office equipment requiring minimum annual rental payments at March 31, 2021 as follows:

	Operating leases \$
2022	322,718
2023	229,791
2024	107,123
2025	79,998
	<u>739,630</u>

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

8. Restricted funds

Restricted funds consist of:

Children's Special Fund

The Children's Special Fund records public donations made to the Organization. Amounts spent within this Fund are based on the wishes of the donor, or as decided by the Board of Directors.

Community Education Fund

The Community Education Fund was established to assist with training activities that would support mandated child welfare services.

RESP Fund

The RESP Fund has been established to record amounts received by the Organization for children/youth who are entitled to the Universal Child Care Benefit. The objective is to increase the likelihood that more children will, with the incentive of increased financial resources of an RESP, pursue post-secondary education and vocational training.

OCBe Fund

The OCBe (Ontario Child Tax Benefit equivalent) Fund was established to account for funds received from the Province that is to provide opportunities for children and youth in care and in formal customary care, 0-17 years old, to participate in recreational/educational, cultural, and social activities that will support their achievement of higher educational success, higher degree of resiliency and a smoother transition to adulthood.

OCBe Savings Fund

The OCBe Fund Savings Program are funds received from the Province to be used to assist eligible youth in their transition to independent living.

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

8. Restricted funds (continued)

	Children's Special Fund \$	Community Education Fund \$	RESP Fund \$	OCBe Fund Program Activities \$	OCBe Fund Saving Program \$	2021 \$	2020 \$
Balances, beginning of year	268,105	31,313	690,958	54,813	386,061	1,431,250	1,302,354
Revenue							
Donations	54,539	—	—	—	—	54,539	72,272
Other contributions and recoveries	—	1,821	124,522	92,813	107,353	326,509	496,985
	54,539	1,821	124,522	92,813	107,353	381,048	569,257
Expenses							
Travel	552	—	—	—	—	552	1,805
Education and training	38,441	—	255,220	27,699	—	321,360	233,603
Social skills	—	—	—	16,238	—	16,238	101,313
Transition to adulthood	—	—	—	6,237	61,154	67,391	84,938
Other	—	2,868	—	—	—	2,868	18,702
	38,993	2,868	255,220	50,174	61,154	408,409	440,361
Excess (deficiency) of revenue over expenses for the year	15,546	(1,047)	(130,698)	42,639	46,199	(27,361)	128,896
Balances, end of year	283,651	30,266	560,260	97,452	432,260	1,403,889	1,431,250

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

9. Pension plan

The Organization participates in the Ontario Municipal Employees Retirement System ("OMERS") contributory defined benefit pension plan. Employer contributions for the year ended March 31, 2021 amounted to \$2,202,406 (\$2,232,920 in 2020) and are included in employee benefits in the Statement of revenue and expenses.

10. Contingent liabilities and guarantees

Contingent liabilities

Various lawsuits have been filed against the Organization for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be recognized in the year of resolution.

Guarantees

Indemnity has been provided to all directors and officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to their involvement with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The maximum amount of any potential future payment cannot be reasonably estimated.

11. Derivative liability

The Organization entered into an interest rate swap in order to reduce the impact of fluctuating interest rates on its long-term debt. The policy of the Organization is not to enter into interest rate swap agreements for trading or speculative purposes.

12. Financial instruments and risk management

The investments held by the Organization are exposed to a variety of financial risks. The Organization seeks to minimize the potential adverse effects of these risks by regularly monitoring the investment's position, market events and the diversifying of the investment portfolio within the constraints of the Organization's Investment Policies.

The risks that are relevant to the Organization's investments are as follows:

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Organization. The interest-bearing investments held by the Organization have a limited exposure to interest rate risk due to their short-term maturity. The Organization has formal policies and procedures that establish target asset mix, minimum credit ratings and varying terms of the securities held.

The Organization is exposed to interest rate risk on its long-term debt. For its long-term debt, the Organization has entered into an interest rate swap agreement in order to manage the impact of fluctuating interest rates. The Organization's policy is not to utilize derivative instruments for trading or speculative purposes.

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

12. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at March 31, 2021 and 2020, the Organization's investments in fixed income securities are with banking institutions.

Fair value

The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity. The fair value of long-term debt and the derivative liability approximates their carrying value, as they have financing conditions similar to those currently available to the Organization. The fair value of investments which consist of Guaranteed Investment Certificates is determined using cost plus accrued interest.

The fair value of the interest rate swap is determined using the discounted cash flow method.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 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;
- 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).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Balance sheet, classified using the fair value hierarchy described above:

	Financial instruments at fair value as at March 31, 2021			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Short-term investments	—	107,777	—	107,777
Investments	—	1,528,138	—	1,528,138
Derivative liability	—	256,369	—	256,369

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

12. Financial instruments and risk management policy (continued)

Fair value hierarchy (continued)

	Financial instruments at fair value as at			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Short-term investments	—	828,839	—	828,839
Investments	—	766,192	—	766,192
Derivative liability	—	359,351	—	359,351

There have been no movements between levels for the year ended March 31, 2021.

For fair value measurements in Level 2 of the fair value hierarchy, a reconciliation from the beginning balances to the ending balances, together with changes during the year has been provided in the table below:

	2021	2020
	\$	\$
Derivative liability		
Balance, beginning of year	359,351	336,771
(Gain) loss for the year recognized in the Statement of re-measurement gains and losses	(102,982)	22,580
Balance, end of year	256,369	359,351

13. Children Protection Information Network

The Child Protection Information Network (CPIN) is a single, province-wide information system for children's aid societies (CASs) to support efficient case management and improve timely access to crucial information.

The new information system creates a consolidated record for a child or family, no matter where they live in the province or where they might move to within Ontario. A CPIN team was formed to implement system and process changes including providing agency wide training to complete the deployment of CPIN. During the year, provincial funding of \$nil (\$nil in 2020) was provided to partially offset the cost of implementation.

Summary of implementation costs of CPIN system

	2021	2020
	\$	\$
Revenue		
Provincial grants	—	—
Expenses		
Salaries and wages	—	100,470
Employee benefits	—	32,435
Travel	—	3,672
	—	136,577
Deficiency of revenue over expenses	—	(136,577)

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

14. York Region Children's Fund

The York Region Children's Fund (the "YRCF") was incorporated in November 2013 as an independent legal entity and Registered Charity whose sole purpose is to raise funds for the exclusive benefit of the welfare of children and their families within York Region through support for the Children and Family Services for York Region.

The funds raised will enhance compassionate care to the children, youth and families served by providing important childhood experiences and opportunities for them, so that our community's children and youth reach their full potential.

The following discloses the YRCF's financial statement elements as at March 31, 2021 and for the year then ended.

Balance sheet as at:

	2021	2020
	\$	\$
Assets		
Current assets		
Cash	48,887	65,643
Other	59	1,718
	48,946	67,361
Liabilities		
Current liabilities		
Accounts payable - other	—	2,700
Loan payable to Children and Family Services for York Region	10,586	15,684
	10,586	18,384
Loan payable to Children and Family Services for York Region	12,940	23,526
	23,526	41,910
Fund balances	25,420	25,451
	48,946	67,361

The loan is interest free, is unsecured and is repayable as follows:

	\$
2022	10,586
2023	12,940
	23,526

Children and Family Services for York Region

Notes to the financial statements

March 31, 2021

14. York Region Children's Fund (continued)

Statement of revenue and expenses:

	2021	2020
	\$	\$
Revenue	63,810	87,062
Expenses	63,841	78,681
(Deficiency) excess of revenue over expenses	(31)	8,381

Expenses include \$53,351 (\$68,785 in 2020) that represent donations to Children and Family Services for York Region.

15. Revenue

During the year, the Ministry of Children, Community and Social Services (the "Ministry") provided the Organization with funding of \$399,802 (\$nil in 2020) to be applied towards prior years' deficits. Such funding was recognized as revenue in the current year, as that was the year in which the funding decision was authorized and approved. Included in accounts receivable is an amount of \$1,948,707 (\$757,737 in 2020) due from the Ministry and recognized as part of revenue in the year to which it relates. Included in this total is the amount of \$1,220,415 relating to the Ministry's March approved funding payment which was short-paid. This amount will be requested for payment through the annual Transfer Payment Account Reconciliation ("TPAR") filing with the Ministry.

Per the Ministry's Child Welfare Balanced Budget Fund (BBF) requirements, 50% of the 2020-21 operating surplus generated by the Organization that is not used to manage an accumulated deficit will be contributed to the Ministry-managed BBF account. As a result, \$2,214,038 (nil in 2020) has been recorded by the Organization in accounts payable as the estimated amount that will be recovered by the Ministry, and reduces the Ministry-approved funding amount for the year recognized as revenue. This estimated amount will be recovered through the annual TPAR filing with the Ministry.

16. Restricted funds one-time program funding

During the year, the Ministry provided the Organization with one-time funding of \$109,554 (\$74,215 in 2020) to support the Educational and Liaison program. Additionally, the Organization was provided one-time funding of \$50,000 (\$nil in 2020) for COVID-19 mental health and addictions supports for children and youth in or transitioning from society and licensed residential care. The revenues and associated expenses have been included in the Statement of revenue and expenses.

17. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. Total COVID-19 related expenditures incurred during the year were \$614,285 (\$325,348 in 2020). The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Organization in future periods.