The Catholic Children's Aid Society of Toronto

Non-consolidated financial statements
March 31, 2022

Building a better working world

Independent auditor's report

To the Members of
The Catholic Children's Aid Society of Toronto

Opinion

We have audited the non-consolidated financial statements of **The Catholic Children's Aid Society of Toronto** [the "Society"], which comprise the non-consolidated balance sheet as at March 31, 2022, and the non-consolidated statement of operations, non-consolidated statement of changes in net assets, non-consolidated statement of accumulated remeasurement gains and non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Society as at March 31, 2022, and its non-consolidated results of operations, its non-consolidated remeasurement gains, and its non-consolidated 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 non-consolidated financial statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Ernst & Young LLP

Toronto, Canada
June 20, 2022

Chartered Professional Accountants
Licensed Public Accountants

The Catholic Children's Aid Society of Toronto

Non-consolidated balance sheet

[In thousands of dollars]

As at March 31

	2022	2021
	$	$
Assets		
Current		
Cash	**6,560**	5,868
Cash and investments held for children in care *[notes 4 and 6]*	**697**	878
Accounts receivable	**2,306**	297
Government remittances receivable	**846**	1,497
Grants receivable from Province of Ontario	**591**	53
Prepaid expenses and other assets	**1,439**	1,591
Investments *[note 6]*	**—**	30
Total current assets	**12,439**	10,214
Cash and investments held for children in care *[note 4 and 6]*	**4,901**	4,706
Due from related party *[note 5]*	**—**	340
Capital assets, net *[note 7]*	**10,320**	13,002
	27,660	28,262
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	**6,091**	6,248
Due to related party *[note 5]*	**403**	—
Deferred contributions *[note 8]*	**1,021**	932
Current portion of loan payable *[note 9]*	**1,445**	2,451
Total current liabilities	**8,960**	9,631
Employee future benefits	**2,809**	2,809
In trust for children in care *[note 4]*	**4,901**	4,706
Other accrued liabilities	**743**	743
Loan payable *[note 9]*	**5,097**	5,882
Deferred capital contributions *[note 11]*	**26**	27
Deferred lease inducement *[note 12]*	**2,038**	—
Total liabilities	**24,574**	23,798
Commitments and contingencies *[notes 14 and 15]*		
Net assets		
Unrestricted	**3,086**	4,464
Total net assets	**3,086**	4,464
	27,660	28,262

See accompanying notes

On behalf of the Board:

President

Treasurer

The Catholic Children’s Aid Society of Toronto

Non-consolidated statement of operations

[In thousands of dollars]

Year ended March 31

	2022	2021
	$	$
Revenue		
Province of Ontario	**81,315**	83,354
Government of Canada children’s special allowances	**1,265**	1,527
Investment income and other revenue *[note 5]*	**540**	2,688
Amortization of deferred capital contributions	**1**	1
	83,121	87,570
Expenses		
Boarding rate payments	**22,576**	21,091
Child and family services		
Salaries and employee benefits *[note 13]*	**41,102**	41,017
Financial assistance, scholarships and special programs	**2,594**	2,429
Travel	**784**	679
Personal needs	**626**	864
Purchased services	**508**	532
Health and related	**555**	483
	46,169	46,004
Administrative and infrastructure		
Salaries and employee benefits *[note 13]*	**5,970**	6,851
Building occupancy	**2,928**	4,191
Office administration and other	**1,892**	2,142
Information, technology and purchased services	**1,908**	1,802
Amortization of capital assets	**1,441**	1,531
Promotion and publicity	**22**	25
Training and recruitment	**240**	197
	14,401	16,739
	83,146	83,834
Excess (deficiency of) revenue over expenses for the year, before the following	**(25)**	3,736
Contributions to The Catholic Children's Aid Foundation *[notes 3 and 5]*	**417**	41,113
Loss on disposition of capital assets *[note 7]*	**936**	—
Deficiency of revenue over expenses for the year	**(1,378)**	(37,377)

See accompanying notes

Non-consolidated statement of changes in net assets

[In thousands of dollars]

Year ended March 31

	2022		2021
	Unrestricted	**Total**	**Total**
	$	$	$
Net assets, beginning of year	**4,464**	**4,464**	43,667
Deficiency of revenue over expenses for the year	**(1,378)**	**(1,378)**	(37,377)
Transfers related to the Catholic Children's Aid Foundation restructuring	**—**	**—**	(1,826)
Net assets, end of year	**3,086**	**3,086**	4,464

See accompanying notes

The Catholic Children’s Aid Society of Toronto

Non-consolidated statement of accumulated remeasurement gains
[in thousands of dollars]

Year ended March 31

	2022	2021
	$	$
Accumulated remeasurement gains (losses), beginning of year	**—**	(556)
Realized gains attributable to a balanced pooled fund recognized to income in the year	**—**	556
Accumulated remeasurement gains, end of year	**—**	—

See accompanying notes

The Catholic Children's Aid Society of Toronto

Non-consolidated statement of cash flows

[In thousands of dollars]

Year ended March 31

	2022	2021
	$	$
Operating activities		
Deficiency of revenue over expenses for the year	**(1,378)**	(37,377)
Add (deduct) items not involving cash		
Amortization of capital assets	**1,441**	1,531
Realized loss on investments	**—**	556
Amortization of deferred capital contributions	**(1)**	(1)
Deferred lease inducement	**2,038**	—
Contributions of endowments to The Catholic Children's Aid Foundation	**—**	(1,826)
Contributions to The Catholic Children's Aid Foundation	**417**	2,126
Loss on disposal of capital assets	**937**	—
	3,453	(34,991)
Changes in non-cash working capital balances related to operations	**(1,630)**	959
Cash provided by (used in) operating activities	**1,823**	(34,032)
Investing activities		
Advances to related party	**743**	(340)
Redemption of investments	**30**	26,939
Purchase of capital assets	**(113)**	(171)
Cash provided by investing activities	**660**	26,428
Financing activities		
Proceeds from long-term debt	**—**	10,818
Repayment of long-term debt	**(1,791)**	(2,485)
Cash provided by (used in) financing activities	**(1,791)**	8,333
Net increase in cash during the year	**692**	729
Cash, beginning of year	**5,868**	5,139
Cash, end of year	**6,560**	5,868

See accompanying notes

Notes to non-consolidated financial statements

[In thousands of dollars]

March 31, 2022

1. Incorporation and corporate activities

The Catholic Children's Aid Society of Toronto [the "Society"] was incorporated in October 1894 and operates as a corporation without share capital under the *Corporations* Act (Ontario). On behalf of the Catholic Community of Toronto, the Society is committed to provide social services that protect children and youth and strengthen family life. The Society provides these services in fulfillment of its mandate under the *Child and Family Services Act*. The Society derives substantially all of its funding from the Province of Ontario [Ministry of Children, Community and Social Services, "MCCSS"].

The Society is a registered charity under the *Income* T*ax* Act (Canada) and is, therefore, exempt from income taxes.

2. Summary of significant accounting policies

The non-consolidated financial statements of the Society are prepared in accordance with the *CPA Canada Public Sector Accounting Handbook*, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The Society has chosen to use the standards for not-for-profit organizations that include sections PS 4200 to PS 4270. The significant accounting policies are summarized below.

Basis of presentation

These non-consolidated financial statements include the assets, liabilities and activities of the Society. The Society controls The Catholic Children's Aid Foundation [the "Foundation"]. The Society has chosen the accounting policy option to disclose the required information for the controlled Foundation in note 17.

Use of estimates

The preparation of non-consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management are used for, but not limited to, the estimated useful life of capital assets, vacation accrual, accumulated and non-vesting sick leave and contingent losses.

Financial instruments

Financial instruments are classified in one of the following categories: [i] fair value or [ii] cost or amortized cost. The Society determines the classification of its financial instruments at initial recognition.

Portfolio investments reported at fair value consist of equity instruments that are quoted in active markets as well as investments in pooled funds, derivative contracts and any other investments where the investments are managed on a fair value basis and the fair value option is elected. Transaction costs are recognized in the non-consolidated statement of operations in the period they are incurred. Investments at fair value are remeasured at their fair value at the end of each reporting period. Any revaluation gains and losses are recognized in the non-consolidated statement of accumulated remeasurement gains and are reclassified to the non-consolidated statement of operations upon disposal or settlement.

All investment transactions are recorded on a trade date basis.

A write-down in portfolio investments is recognized in the non-consolidated statement of operations for a portfolio investment in either category when there has been a loss in the value of the investment considered as an 'other than temporary' decline. Subsequent changes to remeasurement of portfolio investments in the fair value category are reported in the non-consolidated statement of accumulated remeasurement gains. If the loss in value subsequently reverses, the write-down to the non-consolidated statement of operations is not reversed until the investment is sold.

Other financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

Revenue recognition

The Society follows the deferral method of accounting for contributions, which includes grants and donations. Grants and bequests are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Other donations and unrestricted contributions are recognized as revenue when received since pledges are not legally enforceable. Externally restricted contributions, except endowment contributions, are recorded as deferred contributions when initially received, and recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in net assets when received.

Contributions of externally restricted for capital assets are recorded as deferred capital contributions and are amortized to operations on the same basis as the related asset is amortized.

Investment income recorded in the non-consolidated statement of operations consists of interest, dividends, income distributions from pooled funds, and realized gains and losses, net of related fees. Unrealized gains and losses are recorded in the non-consolidated statement of accumulated remeasurement gains, except to the extent they relate to deferred contributions, in which case they are added to the deferred contributions balance, or to the extent they relate to investment income allocated to the endowment capital, in which case they are added to endowments through net assets.

Capital assets

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

Buildings	25 years
Furniture and equipment	4 to 10 years
Computer hardware	3 years
Vehicles	5 years
Leasehold improvements	Over the term of the lease

Pension plan

Contributions to multi-employer defined benefit pension plans are expensed on an accrual basis.

Employee future benefits

Sick leave benefits that accumulate but do not vest are recorded as a liability.

Notes to non-consolidated financial statements

[In thousands of dollars]

March 31, 2022

3. Contributions to The Catholic Children’s Aid Foundation

During the fiscal year ended March 31, 2021, as part of a restructuring, The Catholic Children’s Aid Foundation [the “Foundation”] transferred endowments, scholarship funds for children in care, as well as other related assets and liabilities to the Society. This was done for the Foundation to assume the operations of the charitable components for children that were previously administered by the Society. Additionally, the Society and the Foundation entered into a gift agreement where the Society contributed the real estate function and operations as well as the related assets to the Foundation.

The following table summarizes contributions from the Society by fiscal year:

	2022 $	2021 $
Net liabilities contributed		
Investments	—	1,826
Endowment fund	—	(1,826)
Net liabilities, scholarship and other funds	—	(167)
	—	(167)
Net assets contributed		
Cash	—	—
Land	—	2,074
Buildings	—	52
Investments	—	39,154
	—	41,280
Total contributions to the Catholic Children’s Aid Foundation	—	41,113

4. Cash and investments held for children in care

The Society holds cash and investments for children in care as directed by the Ministry of Children and Youth Services. The cash and investments held for children in care consist of the following:

	2022 $	2021 $
Cash	**2,814**	3,062
Pooled fund – RBC Target 2025 Education Balanced Fund	**2,785**	2,522
	5,599	5,584

The pooled fund investment represents amounts the Society has invested in Registered Education Savings Plans for children in care.

[In thousands of dollars]

These amounts were received by the Society from the following government programs:

	2022	2021
	$	$
Child Tax Benefit	**4,901**	4,706
Ontario Child Benefit equivalent program *[note 8[a]]*	**569**	777
Other	**128**	101
	5,598	5,584

5. Related party transactions

The Foundation is affiliated to the Society and relies on it to provide services related to Human Resources, Finance and IT. The Society and the Foundation exchange goods and services as determined by a service level agreement. These transactions occur in the normal course of business and are recorded at their exchange amounts, which is the amount agreed upon by the parties.

Administrative

Included in other revenue of the Society are charges for these services in the amount of $70 [2021 – $112].

Use of the Foundation’s properties

The Society pays the Foundation for the right to use the properties to provide services to children in care. During the year $247 [2021 – $247] was paid for the use of properties.

Contributions

For the fiscal year ended March 31, 2022, the Society gifted $417 of cash to the Foundation relating to the net proceeds from the sale of property and investments during the year.

Other Services

During the year, the Foundation provided funds to the Society to support services to children in care, the amount of $260 [2021 – $nil]. The funds received were recorded under “Investments and other Revenue” in the statement of operations of the Society. The related disbursements were included under “Financial Assistance Scholarships and Special Programs” in the statement of operations.

Notes to non-consolidated financial statements

[In thousands of dollars]

March 31, 2022

6. Investments

Investments consist of the following:

	Fair value hierarchy level	**2022**	**2021**
		$	$
Short-term investments balanced pooled funds	Level 2	—	—
Long-term investments balanced pooled funds	Level 2	—	—
Other investments	Level 2	—	30
		—	30

The Society also holds investments for children in care as described in note 4, all of which are Level 2 investments.

Investments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the data used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 – Valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;

Level 2 – Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly [observable inputs]; and

Level 3 – Valuation techniques using 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 data in the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which significant input has been considered in measuring fair value. As described in note 3, certain investments were transferred to the Foundation during the year ended March 31, 2021.

[In thousands of dollars]

7. Capital assets

Capital assets consist of the following:

	2022		2021	
	Cost	**Accumulated amortization**	**Cost**	**Accumulated amortization**
	$	$	$	$
Land	**—**	**—**	1,354	—
Buildings	**3,039**	**2,997**	3,039	2,989
Furniture and equipment	**1,742**	**733**	1,742	584
Computer hardware	**1,522**	**1,329**	1,492	826
Leasehold improvements	**10,941**	**1,948**	10,941	1,167
Vehicles	**40**	**40**	40	40
WIP	**83**	**—**	—	—
	17,367	**7,047**	18,608	5,606
Less accumulated amortization	**7,047**		5,606	
Net book value	**10,320**		13,002	

8. Deferred contributions

Deferred contributions consist of the following:

	2022	2021
	$	$
Ontario Child Benefit equivalent program [a]	**569**	777
Other deferred contributions [b]	**452**	155
	1,021	932

[a] The Ontario Child Benefit equivalent program provides opportunities to children and youth in care to participate in recreational, educational, cultural, and social activities and establishes a savings program for youth in care with an objective to achieve better outcomes in higher education, a higher degree of resiliency and a smoother transition to adulthood.

The activity of the program is as follows:

	2022	2021
	$	$
Balance, beginning of year	**777**	761
Amounts received during the year	**258**	383
Disbursements during the year	**(466)**	(367)
Balance, end of year *[note 4]*	**569**	777

[In thousands of dollars]

[b] Other deferred contributions represent unspent externally restricted funding for various programs. The changes in the other deferred contributions balance are as follows:

	2022 $	2021 $
Balance, beginning of year	**155**	294
Amounts received during the year	**297**	53
Amounts transferred out from the endowment fund	**—**	(192)
Balance, end of year	**452**	155

9. Loan payable

On October 1, 2020, the Foundation issued a loan to the Society for the principal amount of $10,818. The loan is due on demand and bears interest at the rate of 3.3% per annum. Unless demand is made earlier, the loan shall be repaid no later than October 1, 2035.

During the year, a repayment in the amount of $2,000 [2021 – $2,636] was made by the Society for the loan and interest. The Foundation has waived its right to demand repayment of $5,097 prior to April 1, 2023.

Interest expense of $209 [2021 – $151] is recognized in the non-consolidated statement of operations.

10. Credit facility

As at March 31, 2022, the Society has an unsecured demand line of credit of $8,000. This line of credit has not been drawn upon as of March 31, 2022.

11. Deferred capital contributions

Deferred capital contributions represent unspent unamortized contributions received. Changes in the deferred capital contributions balance for the year are as follows:

	2022 $	2021 $
Balance, beginning of year	**27**	28
Less amortization of deferred capital contributions	**(1)**	(1)
Balance, end of year	**26**	27

12. Deferred lease inducement

The Lease inducement relates to the lease agreement of 2206 Eglinton Avenue and is written off over the life of the Lease.

Deferred lease inducement represents the balance of unamortized lease inducements accruing to the Society as at March 31, 2022. The balance will be amortized over the remaining term of the lease.

[In thousands of dollars]

	$
Deferred lease inducement	**2,317**
Less amortization of deferred lease inducements	**(279)**
Balance, end of year	**2,038**

13. Pension plan

Substantially all employees of the Society are eligible to be members of the Ontario Municipal Employees' Retirement Plan [the "Plan"], which is multi-employer defined benefit pension plan. The most recent actuarial valuation of the Plan as of December 31, 2021 indicates the Plan has an unfunded liability of $69,000. The Plan is accounted for as a defined contribution since the Society has insufficient information to apply defined benefit plan accounting. Employer contributions made to the Plan for the year amounted to $3,677 [2021 – $3,937] and are included in salaries and employee benefits expense in the non-consolidated statement of operations.

14. Commitments

The Society has entered into certain operating lease agreements for its premises and office equipment. The future minimum annual lease payments under these agreements are as follows:

In addition to minimum rentals, property leases generally provide for the payments of various operating costs.

	$
2023	1,160
2024	1,206
2025	1,194
2026	1,194
2027	1,194
Thereafter	8,940
	14,888

15. Contingencies

The Society has been named as co-defendant in lawsuits, some of which are not covered by insurance. Some of these actions remain at preliminary stages and, therefore, management and counsel are unable to provide estimates as to the outcomes of these claims. When a reasonable estimate can be determined regarding the outcome of a case, an appropriate reserve, if required is reflected in the non-consolidated financial statements. Should the Society be found liable for any amount in addition to what has been determined by management as a result of such claims, such loss would be recorded in the period in which it is incurred. The Society has insurance to cover the majority of legal claims.

16. Financial instruments and risk management

The Society's activities expose it to a range of financial risks. These risks include market risk [comprising foreign currency risk, interest rate risk and other price risk], credit risk and liquidity risk.

Market risk

Market risk, comprising foreign currency risk, interest rate risk and other price risk, is the risk the fair value or future cash flows of an investment will fluctuate because of changes in market prices.

Foreign currency risk

Foreign currency risk arises from investments that are denominated in foreign currencies. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value of investments. The Society is exposed to foreign currency risk with respect to its investments.

Interest rate risk

Interest rate risk refers to the effect on the fair value or future cash flows of the Society’s assets and liabilities due to fluctuations in interest rates. The Society is exposed to interest rate risk with respect to its investments because the fair value will fluctuate due to changes in market interest rates.

Other price risk

Other price risk is the risk the value of investments will fluctuate as a result of changes in market prices, other than those arising from foreign currency risk and interest rate risk, whether caused by factors specific to an individual investment, its issuer or all factors affecting instruments traded in a market or market segment. The Society is exposed to other price risk through its investments.

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfill payment obligations. The Society is exposed to credit risk in connection with its accounts receivable and grants receivable from the Province of Ontario because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk

Liquidity risk refers to the Society’s ability to meet financial obligations as they come due. The Society is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Society derives a signification portion of its operating revenue from the Ontario government with no firm commitment of funding amounts in future years.

17. COVID-19 pandemic

The outbreak of the coronavirus disease [“COVID-19”] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, physical distancing and vaccinations, have caused material disruption to the services provided by the Society. For the current year, the Society received funding and incurred expenditures in the amount of $0 [2021 - $249] for various measures relating to COVID-19. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of government and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Society in future periods.

Notes to non-consolidated financial statements

[In thousands of dollars]

March 31, 2022

18. The Catholic Children's Aid Foundation

The Foundation is an organization with a purpose to raise funds for the exclusive benefit of financial aid in the form of grants to the Society and partners, in addition to support for educational, enrichment and prevention programs for children, youth and families known to the Society.

The Foundation became a registered charity on May 15, 2019 and began operations on April 1, 2020. As the Foundation is a registered charity, it is exempt from income taxes under the *Income Tax Act* (Canada). Control is exercised over the Foundation through a governance structure managed by the Society.

The summarized assets, liabilities and results of operations for the Foundation are as follows:

	2022	**2021**
	$	$
Financial position		
Total assets	**47,415**	46,153
Total liabilities	**510**	903
Accumulated remeasurement gains	**(3,032)**	1,443
Unrestricted	**47,687**	41,688
Endowment	**2,250**	2,119
Total net assets	**46,905**	45,250
Total liabilities and net assets	**47,415**	46,153

	2022	**2021**
	$	$
Results of operations		
Total revenues	**7,644**	42,782
Total expenses	**1,645**	1,094
Excess of revenue over expenses for the year	**5,999**	41,688

	2022	**2021**
	$	$
Cash flows		
Operating activities	**4,179**	154
Financing activities	**(743)**	340
Investing activities	**(2,325)**	(115)
Net increase in cash flows for the year	**1,111**	379

Notes to non-consolidated financial statements

[In thousands of dollars]

March 31, 2022

18. Comparative figures

Certain reclassifications of 2021 amounts have been made to facilitate comparison with the current year.