



Financial Statements

**Strides Toronto Support Services**

March 31, 2021

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# Independent Auditor's Report

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To the Board of Directors of  
Strides Toronto Support Services

## Opinion

We have audited the financial statements of Strides Toronto Support Services (the "Organization"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets 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 the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

## 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 ASNPO, 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Markham, Canada  
July 21, 2021

Chartered Professional Accountants  
Licensed Public Accountants

# Strides Toronto Support Services

## Statement of Financial Position

March 31

2021

2020

### Assets

#### Current

Cash	\$ 8,251,133	\$ 5,925,225
Term deposits (Note 4)	666,031	657,338
Accounts receivable	1,842,727	614,840
HST receivable	966,171	462,709
Prepaid expenses	<u>824,914</u>	<u>218,253</u>
	<b>12,550,976</b>	<b>7,878,365</b>
Investments (Note 5)	1,343,497	1,229,932
Property and equipment (Note 6)	<u>1,611,503</u>	<u>1,663,562</u>
	<b>\$ 15,505,976</b>	<b>\$ 10,771,859</b>

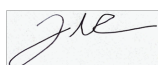
### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 7)	\$ 5,474,288	\$ 2,757,008
Deferred contributions (Note 8)	4,071,752	1,991,863
Deferred lease inducement (Note 9)	26,449	50,834
Deferred donations (Note 10)	<u>94,162</u>	<u>90,372</u>
	<b>9,666,651</b>	<b>4,890,077</b>
Deferred capital contributions (Note 11)	1,595,394	1,787,276
Deferred lease inducement (Note 9)	<u>34,155</u>	<u>60,604</u>
	<b>11,296,200</b>	<b>6,737,957</b>
<b>Net assets</b>		
Invested in property and equipment	210,673	260,456
Internally restricted	2,797,905	2,653,474
Unrestricted	<u>1,201,198</u>	<u>1,119,972</u>
	<b>4,209,776</b>	<b>4,033,902</b>
	<b>\$ 15,505,976</b>	<b>\$ 10,771,859</b>

Commitments (Note 14)

On behalf of the Board of Directors



Director



Director

See accompanying notes to the financial statements

# Strides Toronto Support Services

## Statement of Operations

	Year ended March 31, 2021	Three month period ended March 31, 2020
		(Note 2)
Revenue		
Government grants		
Ministry of Children, Community and Social Services and Ministry of Health	\$ 19,369,717	\$ 5,582,169
City of Toronto	3,294,311	926,089
Public Health Agency of Canada	696,082	215,425
Special programs funding	1,925,317	473,232
Fee for service	212,953	185,990
Other	193,897	75,113
Investment income	45,713	41,510
Donations and fundraising	25,661	55,404
Parental contributions	100	30,956
	<u>25,763,751</u>	<u>7,585,888</u>
Expenses		
Salaries and wages	17,011,703	4,268,062
Employee benefits	3,033,906	881,026
Rent	1,628,220	423,301
Contracted-out services	989,875	339,766
Contracted-out IT services	434,860	49,836
IT- supplies and equipment	422,970	118,322
Purchased client services	395,069	240,290
Other supplies and equipment	297,849	146,630
Staff training	271,790	164,707
Other services	258,629	621,939
COVID-19 expenses	232,239	-
Travel and communication	207,418	97,118
Insurance	166,480	43,491
Advertising and promotion	128,634	66,734
Repairs and maintenance - service	104,245	55,172
Utilities	60,961	21,157
Administration	14,972	17,493
Repairs and maintenance - supplies	11,179	4,998
	<u>25,670,999</u>	<u>7,560,042</u>
Excess of revenue over expenses before other items	92,752	25,846
Other items		
Unrealized gain (loss) from investments	87,029	(82,358)
Amortization of property and equipment	(800,178)	(214,853)
Amortization of deferred capital contributions	745,437	201,281
Amortization of lease inducements	50,834	12,709
	<u>83,122</u>	<u>(83,221)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 175,874</u>	<u>\$ (57,375)</u>

See accompanying notes to the financial statements

## Strides Toronto Support Services

### Statement of Changes in Net Assets

For the year ended March 31, 2021

	Invested in property and equipment	Unrestricted	Internally restricted	<b>Year ended March 31, 2021 Total</b>	Three month period ended March 31, 2020 Total
					(Note 2)
Net assets, beginning of year	\$ 260,456	\$ 1,119,972	\$ 2,653,474	<b>\$ 4,033,902</b>	\$ 4,091,277
Excess (deficiency) of revenue over expenses	(54,741)	230,615	-	<b>175,874</b>	(57,375)
Transfer to the internally restricted fund	-	(144,431)	144,431	-	-
Purchase of property and equipment	748,119	(748,119)	-	-	-
Funding received for property and equipment purchases	(553,555)	553,555	-	-	-
Funding received for property and equipment not yet spent	<u>(189,606)</u>	<u>189,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets, end of year</b>	<b><u>\$ 210,673</u></b>	<b><u>\$ 1,201,198</u></b>	<b><u>\$ 2,797,905</u></b>	<b><u>\$ 4,209,776</u></b>	<b><u>\$ 4,033,902</u></b>

See accompanying notes to the financial statements

## Strides Toronto Support Services Statement of Cash Flows

	Year ended March 31, 2021	Three month period ended March 31, 2020
		(Note 2)
Increase (decrease) in cash		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	\$ 175,872	\$ (57,375)
Items not affecting cash		
Unrealized (gain) loss from investments	(87,029)	82,358
Amortization of property and equipment	800,178	214,853
Amortization of deferred capital contributions	(745,437)	(201,281)
Amortization of lease inducements	<u>(50,834)</u>	<u>(12,709)</u>
	92,750	25,846
Changes in non-cash working capital items		
Accounts receivable	(1,227,887)	149,502
HST receivable	(503,462)	(146,487)
Prepaid expenses	(606,661)	9,059
Accounts payable and accrued liabilities	2,717,280	790,878
Deferred donations	3,790	5,707
Deferred contributions	<u>2,079,889</u>	<u>(1,702,500)</u>
	<u>2,555,699</u>	<u>(867,995)</u>
<b>Investing</b>		
Net proceeds from investments	(26,534)	(18,307)
Net purchase of term deposits	(8,693)	(7,521)
Purchase of property and equipment	(748,119)	(155,899)
Funding received for property and equipment purchases	<u>553,555</u>	<u>436,129</u>
	<u>(229,791)</u>	<u>254,402</u>
Increase (decrease) in cash	2,325,908	(613,593)
Cash, beginning of period	<u>5,925,225</u>	<u>6,538,818</u>
Cash, end of period	<u>\$ 8,251,133</u>	<u>\$ 5,925,225</u>

See accompanying notes to the financial statements



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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 1. Nature of operations

Strides Toronto Support Services (the “Organization”) provides a wide range of exceptional programs and services to help its clients and its families achieve their personal best. The agency supports clients from the pre-natal stage to age 29 and their families. Its work helps to strengthen their social and emotional well-being, move forward through adversity and develop their abilities and skills to reach their full potential.

The Organization is incorporated by letters patent under the laws of Ontario as a corporation without share capital and is a registered charity under the Income Tax Act (Canada). The Organization must meet certain requirements under the Income Tax Act (Canada). In the opinion of management, these requirements have been met.

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### 2. Comparative figures

On January 1, 2020 (the “amalgamation date”), the Organization was created through the amalgamation of East Metro Youth Services (“EMYS”) and Aisling Discoveries Child and Family Centre (“Aisling”). As a result, the then existing assets and liabilities of EMYS and Aisling were combined. On the amalgamation date, a new board of directors was constituted comprising of equivalent directors from each of EMYS and Aisling.

As a result of this amalgamation, the comparative figures at March 31, 2020 reflect only three months of operations.

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### 3. Summary of significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), the more significant policies of which are outlined below.

Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation), which is controlled by the Organization, is not consolidated in the Organization’s financial statements.

#### **Fund accounting**

The accounts are maintained in accordance with the principles of fund accounting, whereby net assets of the Organization are classified for accounting and reporting purposes into funds to be used as determined by the Organization.

#### *Invested in property and equipment*

Invested in property and equipment net assets reflects the assets, liabilities, revenue and expenses related to the Organization’s property and equipment.

#### *Internally restricted*

Internally restricted net assets include the monies from fundraising projects which can be used at the discretion of the Board of Directors to support and enhance designated programs and activities.

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 3. Summary of significant accounting policies (continued)

#### Fund accounting (continued)

##### *Unrestricted*

Unrestricted net assets include the day-to-day program activities primarily funded by various government organizations.

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions, whereby restricted sources of revenue (grants and contributions) are recognized as revenue in the fiscal period in which the related expenses are incurred.

Contributions received for the purchase of property and equipment are deferred and amortized over the useful life of the related property and equipment so that revenue recognition corresponds with the related amortization expense.

Any funding for operations not approved for deferral that is unspent during the fiscal period is to be repaid to the respective funder and is included in accounts payable and accrued liabilities.

Fee for service revenue is recognized as revenue in the period in which the related service has occurred.

Investment income and other revenue are recognized as earned.

The provincial government provides the primary funding for the operation of the Organization, based on an annually approved operating budget. Subsequent to the period end, a settlement is made based on actual operating results; any excess of approved funding over actual costs is returned to the funders. These financial statements reflect the expected settlement with the funders at the end of the fiscal period.

#### Economic dependence

The Organization is dependant on provincial and municipal funding, in particular from the Ministry of Children, Community and Social Services (MCCSS), the Ministry of Health and the City of Toronto for the majority of its funding.

#### Donated materials and services

Volunteers contribute an undeterminable number of hours per period. The Organization also receives donations of materials. Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 3. Summary of significant accounting policies (continued)

#### Property and equipment

Property and equipment are recorded at cost and are amortized as follows:

Building – Megan	5% declining balance basis
Building – Residence	25 years straight-line basis
Office and IT infrastructure, group home, furniture, equipment	3-5 years straight-line basis
Vehicles	3-5 years straight-line basis
Leasehold improvements	Term of the lease

The Organization acquired the Megan land and building through a grant which has restrictive covenants. This grant must be returned to the MCCSS if the restrictive covenants are contravened.

Property and equipment are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, then the amount of the impairment is quantified by comparing the carrying value of the property and equipment to its fair value. Any impairment of property and equipment is charged to the statement of operations in the period in which the impairment occurs. An impairment loss is not reversed if the fair value of the property and equipment subsequently increases.

#### Deferred lease inducements

Deferred lease inducements are amortized on a straight-line basis over the terms of the premise leases.

#### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to the excess (deficiency) of revenue over expenses as appropriate in the period.

Key areas where management has made estimates include the valuation of investments, the useful lives of property and equipment and deferral of revenue. Actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

#### Pension plan

The Organization maintains a defined contribution pension plan. Contributions made by the Organization are expensed as incurred.

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 3. Summary of significant accounting policies (continued)

#### Financial instruments

The Organization considers any contract creating a financial asset, liability, or equity instrument as a financial instrument. The Organization accounts for the following as financial instruments:

- cash
- term deposits
- accounts receivable
- HST receivable
- investments
- accounts payable

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and are subsequently measured at amortized cost, with the exception of investments, which are measured at fair value. Unrealized gains (losses) on investments are recorded in the statement of operations in the period incurred.

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### 4. Term deposits

Term deposits consist of guaranteed investment certificates of \$666,031 (2020 - \$657,338) with interest rates between 0.35% and 0.45% (2020 - 0.55% and 2.00%) per annum and maturities between November 2021 and April 2022 (2020 - November 2020 and March 2021).

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### 5. Investments

The Organization's investments consist of fund units. The fair values are based on quoted market prices of the funds at the statement of financial position date and are as follows:

	<u>2021</u>	<u>2020</u>
Short-Term Bond Fund	\$ 606,278	\$ 594,166
Canadian Bond Fund	328,971	317,757
International Equity Funds	150,432	127,577
Canadian Dividend Income Fund	152,748	109,505
US Equity Funds	<u>105,068</u>	<u>80,927</u>
	<u>\$ 1,343,497</u>	<u>\$ 1,229,932</u>

# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

### 6. Property and equipment

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 230,155	\$ -	\$ 230,155	\$ 230,155
Building – Megan	252,057	252,057	-	-
Building – Residence	302,808	302,808	-	-
Office and IT infrastructure	2,378,786	1,817,007	561,779	211,418
Vehicles	185,107	159,280	25,827	39,787
Group home furniture and equipment	1,220,005	1,089,075	130,930	223,861
Leasehold improvements	3,714,470	3,051,658	662,812	958,341
	<u>\$ 8,283,388</u>	<u>\$ 6,671,885</u>	<u>\$ 1,611,503</u>	<u>\$ 1,663,562</u>

### 7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include government remittances totalling \$75,154 (2020 - \$21,964) and payable to the Ministry of Children, Community and Social Services and the Ministry of Health of \$2,231,783 (2020 - \$1,029,677).

### 8. Deferred contributions

Deferred contributions relate to granted contributions that have been received for which the related expenses have not yet been incurred.

	<u>2021</u>	<u>2020</u>
Balance, beginning of period	\$ 1,991,863	\$ 3,694,363
Amounts received during the period	27,797,927	5,841,878
Less: revenue recognized during the period	<u>(25,718,038)</u>	<u>(7,544,378)</u>
Balance, end of period	<u>\$ 4,071,752</u>	<u>\$ 1,991,863</u>

### 9. Deferred lease inducements

	<u>2021</u>	<u>2020</u>
Balance, beginning of period	\$ 111,438	\$ 124,147
Amortization of lease inducements	<u>(50,834)</u>	<u>(12,709)</u>
Balance, end of period	60,604	111,438
Less: current portion	<u>(26,449)</u>	<u>(50,834)</u>
Long-term portion	<u>\$ 34,155</u>	<u>\$ 60,604</u>

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 10. Deferred donations

Deferred donations relate to donations that have been received from general fundraising for which the related expenses have not yet been incurred.

	<u>2021</u>	<u>2020</u>
Balance, beginning of period	\$ 90,372	\$ 84,665
Donations received	<u>3,790</u>	<u>5,707</u>
Balance, end of period	<u>\$ 94,162</u>	<u>\$ 90,372</u>

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### 11. Deferred capital contributions

	<u>2021</u>	<u>2020</u>
Balance, beginning of period	\$ 1,787,276	\$ 1,552,428
Funding received for property and equipment purchases	553,555	436,129
Less: amortization of deferred capital contributions	<u>(745,437)</u>	<u>(201,281)</u>
Balance, end of period	<u>\$ 1,595,394</u>	<u>\$ 1,787,276</u>

Included in deferred capital contributions is \$194,564 (2020 - \$384,170) of deferred capital contributions that have not yet been spent.

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### 12. Strides Toronto Foundation

The Organization controls Strides Toronto Foundation (formerly Aisling Discoveries Child and Family Foundation) (the "Foundation") since the Organization has the right to approve the appointment of all the voting members of the Foundation's Board of Directors. The Foundation is incorporated under the laws of Ontario and is a registered charity under the Income Tax Act. The Foundation administers donated funds for the benefit of the Organization. Effective April 1, 2021, the Organization is amalgamating with the Foundation to streamline the administration of operations of both organizations.

The financial statements of the Foundation have not been consolidated with those of the Organization. A summary of financial information of the Foundation is as follows:

	<u>2021</u>	<u>2020</u>
<b>Statement of financial position</b>		
Total assets	<u>\$ 1,628,514</u>	<u>\$ 1,422,227</u>
Total liabilities	\$ (3,921)	\$ (3,669)
Total net assets	<u>\$ 1,624,593</u>	<u>\$ 1,418,558</u>

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 12. Strides Toronto Foundation (continued)

	<u>2021</u>	Year ended March 31, <u>2020</u>
<b>Statement of revenue and expenses</b>		
Total revenue	\$ 69,976	\$ 79,933
Total expenses	<u>(14,193)</u>	<u>(14,079)</u>
Excess of revenue over expenses before other items and donation to the Organization	55,783	65,854
Unrealized gain (loss) on investments	201,772	(139,819)
Donation to the Organization	<u>(51,520)</u>	<u>(52,911)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 206,035</u>	<u>\$ (126,876)</u>
<b>Statement of cash flows</b>		
Cash flows from operating activities	\$ 3,320	\$ 12,838
Cash flows to investing activities	(3,483)	(11,799)
Cash flows to financing activities	<u>-</u>	<u>(1,202)</u>
Net cash flows	<u>\$ (163)</u>	<u>\$ (163)</u>

In the normal course of business, the Organization enters into transactions with the Foundation. All transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

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### 13. Pension plan

Contributions to the defined contribution pension plan are generally based on the employee's age and/or years of service. The Organization's contributions to the pension plan amounted to \$218,674 (2020 - \$53,124) and are included in employee benefits expense on the statement of operations.

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### 14. Commitments

The Organization has leases for premises, which expires in fiscal 2026. The future minimum annual lease payments, exclusive of operating costs and HST, are as follows:

2022	\$ 588,713
2023	598,924
2024	454,720
2025	318,436
2026	<u>212,058</u>
	<u>\$ 2,172,851</u>

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 15. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

#### **Credit risk**

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to meet its funding obligation. This risk is mitigated by the Organization through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable is \$Nil.

#### **Liquidity risk**

Liquidity risk is the risk the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves to repay creditors.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

##### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2021, investments in foreign securities of \$255,500 (2020 - \$208,504) are denominated in foreign currencies and converted into Canadian dollars. Foreign exchange gains and losses are included in the statement of operations.

##### *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed - income investments held by the Organization. The underlying value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise.

##### *Other price risk*

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to price risk on its investments.



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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2021

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### 16. Guarantees and indemnities

The Organization has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgements and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Organization has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in-service contracts, lease agreements or sales and purchase contracts. In these agreements, the Organization agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Organization. The maximum amount of any potential liability cannot be reasonably estimated.

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### 17. Impacts of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization continues to operate, as it provides services deemed essential as defined by the Province of Ontario. Management has assessed the impact of the pandemic and does not expect a change in its Ministry of Children, Community, and Social Services and Ministry of Health funding.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. The Organization remains committed to adjusting its expenditures as necessary to ensure its long-term sustainability.