Financial Statements of

ERINOAKKIDS
Centre for Treatment and Development

And Independent Auditors' Report thereon

Year ended March 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of ERINOAKKIDS
Centre for Treatment and Development

Qualified Opinion

We have audited the financial statements of ERINOAKKIDS Centre for Treatment and Development (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2021 and 2020
- the revenue from donations and fundraising and excess of revenue over expenses reported in the statements of operations for the years ended March 31, 2021 and 2020

- the unrestricted balances, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended March 31, 2021 and 2020
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2021 and 2020

Our opinion on the financial statements for the year ended March 31, 2020 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity 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 qualified 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 accounting standards for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 represents the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 23, 2021

ERINOAKKIDS

Centre for Treatment and Development

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	Operating Fund	Capital Fund	2021 Total	2020 Total
Assets				
Current assets:				
Cash (note 9)	$ 22,218,535	$ 7,643,581	$ 29,862,116	$ 27,846,800
Accounts receivable (note 11)	764,398	–	764,398	1,302,292
Prepaid expenses	87,383	–	87,383	112,614
	23,070,316	7,643,581	30,713,897	29,261,706
Investments (note 2)	–	5,063,120	5,063,120	4,637,500
Interfund receivable (payable)	96,918	(96,918)	–	–
Capital assets (note 3)	–	193,226,069	193,226,069	199,238,085
	$ 23,167,234	$ 205,835,852	$ 229,003,086	$ 233,137,291
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities (notes 4 and 11)	$ 9,526,031	$ –	$ 9,526,031	$ 13,835,052
Deferred revenue	3,912,817	–	3,912,817	1,802,457
	13,438,848	–	13,438,848	15,637,509
Deferred contributions (note 5)	435,794	178,651,323	179,087,117	184,666,283
	13,874,642	178,651,323	192,525,965	200,303,792
Net assets:				
Internally restricted (note 7)	1,037,441	5,368,030	6,405,471	6,360,547
Invested in capital assets (note 6)	–	18,568,778	18,568,778	18,568,778
Unrestricted	8,255,151	3,247,721	11,502,872	7,904,174
	9,292,592	27,184,529	36,477,121	32,833,499
Contingencies and indemnifications (note 17)				
	$ 23,167,234	$ 205,835,852	$ 229,003,086	$ 233,137,291

See accompanying notes to financial statements.

On behalf of the Board:

_______________ Director

_______________ Director

ERINOAKKIDS

Centre for Treatment and Development

Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	Operating Fund	Capital Fund	2021 Total	2020 Total
Revenue:				
Ministry of Children, Community and Social Services (note 12)	$ 93,236,777	$ –	$ 93,236,777	$ 109,236,864
Amortization of deferred contributions - capital (note 5)	–	6,568,024	6,568,024	6,570,425
Other revenue and recoveries (note 13)	4,690,603	50,004	4,740,607	4,535,454
Other funding and operating grants (note 14)	2,342,358	–	2,342,358	3,527,944
Investment income	170,465	233,860	404,325	437,350
Donations and fundraising (note 15)	350,300	–	350,300	779,886
	100,790,503	6,851,888	107,642,391	125,087,923
Expenses:				
Salaries and benefits	48,919,221	–	48,919,221	51,502,296
Contracted out services	33,924,632	–	33,924,632	51,035,261
Amortization of capital assets	50,004	6,568,024	6,618,028	6,620,429
Buildings and grounds	4,723,648	–	4,723,648	3,277,822
Professional fees	3,145,056	–	3,145,056	2,193,254
Information technology costs	2,411,649	–	2,411,649	2,609,775
Supplies	1,779,380	–	1,779,380	1,401,080
Sundry	1,187,796	20,035	1,207,831	1,046,548
Equipment	786,066	–	786,066	1,178,219
Fundraising (note 15)	379,539	–	379,539	464,443
Travel and training	353,805	378	354,183	601,424
	97,660,796	6,588,437	104,249,233	121,930,551
	3,129,707	263,451	3,393,158	3,157,372
Unrealized gain (loss) on investments	–	250,464	250,464	(108,367)
Excess of revenue over expenses	$ 3,129,707	$ 513,915	$ 3,643,622	$ 3,049,005

See accompanying notes to financial statements.

ERINOAKKIDS

Centre for Treatment and Development

Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	Operating Fund		Capital Fund			2021	2020
	Unrestricted	Internally restricted (note 7)	Unrestricted	Invested in capital assets (note 6)	Internally restricted (note 7)	Total	Total
Net assets, beginning of year	$ 5,170,368	$ 992,517	$ 2,733,806	$ 18,568,778	$ 5,368,030	$ 32,833,499	$ 29,784,494
Excess of revenue over expenses	3,129,707	–	513,915	–	–	3,643,622	3,049,005
Interfund transfer (note 8)	(44,924)	44,924	–	–	–	–	–
Net assets, end of year	$ 8,255,151	$ 1,037,441	$ 3,247,721	$ 18,568,778	$ 5,368,030	$ 36,477,121	$ 32,833,499

See accompanying notes to financial statements.

ERINOAKKIDS

Centre for Treatment and Development

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 3,643,622	$ 3,049,005
Items not involving cash:		
Amortization of capital assets	6,568,024	6,570,425
Amortization of deferred contributions - capital	(6,568,024)	(6,570,425)
Unrealized loss (gain) on investments	(250,464)	108,367
Reinvested distribution	(132,756)	–
Change in non-cash operating working capital	(1,635,536)	(2,151,843)
	1,624,866	1,005,529
Financing activities:		
Deferred contributions received - capital	988,858	1,448,814
Investing activities:		
Purchase of investments	(2,870,500)	(2,918,108)
Proceeds on redemption and sale of investments	2,828,100	2,773,480
Purchase of capital assets	(556,008)	(2,836,552)
	(598,408)	(2,981,180)
Increase (decrease) in cash	2,015,316	(526,837)
Cash, beginning of year	27,846,800	28,373,637
Cash, end of year	$ 29,862,116	$ 27,846,800

See accompanying notes to financial statements.

ERINOAKKIDS Centre for Treatment and Development (the "Organization" or "ERINOAKKIDS") is incorporated under the laws of Ontario, without share capital, with the purpose of supporting children and youth with physical, developmental or communication disabilities and their families residing primarily in the Regions of Peel and Halton and Dufferin County in achieving and maintaining optimal levels of independence, health and well-being.

ERINOAKKIDS is a registered charitable organization under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants Canada Handbook.

(a) Fund accounting and revenue recognition:

The accounts are maintained using the principles of fund accounting. Resources are classified into funds that are in accordance with specified activities or objectives.

The Organization follows the deferral method of accounting for contributions.

The Operating Fund accounts for the client care, administrative and operational costs financed by provincial ministries and other agencies and include other operating revenue. All assets and liabilities relating to ongoing client care activities are included in the Operating Fund. Operating grants for programs are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions, including donations and fundraising, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

1. Significant accounting policies (continued):

The Capital Fund accounts for monies received and specified for capital purposes or other special projects and purposes. The monies received to fund capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Monies received for special projects and purposes are recognized as revenue in the year in which the related expenses are incurred.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from client and other service fees are recognized when the services are provided.

(b) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to ERINOAKKIDS ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Land improvements	15 - 20 years
Buildings	40 years
Building service equipment	15 - 40 years
Leasehold improvements	Over lease term
Major equipment	5 - 15 years
Major Information System ("IS") equipment	5 - 15 years

1. Significant accounting policies (continued):

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry its financial investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, ERINOAKKIDS determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount ERINOAKKIDS expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

1. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful lives of capital assets and accrued liabilities. Actual results could differ from those estimates.

2. Investments:

Investments are carried at fair value and consist of the following:

	2021	2020
Guaranteed investment certificates	$ 2,890,707	$ 2,848,307
Mutual funds:		
Balanced Pooled Fund	2,172,413	1,789,193
	$ 5,063,120	$ 4,637,500

The guaranteed investment certificates have an effective interest rate of 0.60% to 0.63% (2020 - 2.00% to 2.15%) and mature between March 2022 and November 2022 (2020 - July 2020 and February 2021).

3. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	$ 18,568,778	$ –	$ 18,568,778	$ 18,568,778
Land improvements	2,412,728	497,277	1,915,451	2,102,171
Buildings	179,164,094	15,807,738	163,356,356	168,343,176
Building service equipment	4,461,023	884,087	3,576,936	3,874,337
Leasehold improvements	626,890	507,247	119,643	245,021
Major equipment	6,627,569	2,555,742	4,071,827	4,204,692
Major IS equipment	2,848,490	1,231,412	1,617,078	1,899,910
	$ 214,709,572	$ 21,483,503	$ 193,226,069	$ 199,238,085

In January 2018, the Organization completed its Redevelopment Project, which led to all sites becoming operational.

A majority of funding for the acquisition of redevelopment capital assets was received from the Ministry of Children, Community and Social Services (the "Ministry"). ERINOAKKIDS is therefore not able to dispose of these capital assets or to use the capital assets for other purposes without the consent of the Ministry.

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $295,072 (2020 - $163,719), which includes amounts payable for payroll-related taxes.

5. Deferred contributions:

(a) Deferred contributions - operating:

	2021	2020
Balance, beginning and end of year	$ 435,794	$ 435,794

(b) Deferred contributions - capital:

	2021	2020
Balance, beginning of year	$ 184,230,489	$ 188,052,100
Contributions received	988,858	1,448,814
Contributions reallocation	–	1,300,000
	185,219,347	190,800,914
Less amounts amortized to revenue	6,568,024	6,570,425
Balance, end of year	$ 178,651,323	$ 184,230,489

The deferred capital contributions include monies raised through the $20 million In My Dreams Campaign. The campaign raised funds to equip the facilities under the Redevelopment Project.

Deferred capital contributions related to capital assets represent the unamortized amount of funding received for the purchase of capital assets. At the end of the year, deferred capital contributions include $3,994,034 (2020 - $3,561,182) of funds that are unspent.

6. Net assets invested in capital assets:

(a) Net assets invested in capital assets are calculated as follows:

	2021	2020
Capital assets	$ 193,226,069	$ 199,238,085
Less:		
Amounts financed by deferred contributions - capital, excluding amount unspent	174,657,291	180,669,307
	$ 18,568,778	$ 18,568,778

The balance of invested in capital assets represents the land which is not amortized, that was funded by the Ministry in connection with the Redevelopment Project.

(b) The change in net assets invested in capital assets is calculated as follows:

	2021	2020
Excess of revenue over expenses:		
Amortization of deferred contributions - capital	$ 6,568,024	$ 6,570,425
Amortization of capital assets	(6,568,024)	(6,570,425)
	$ –	$ –
Net change in investment in capital assets:		
Purchase of capital assets	$ 556,008	$ 2,836,552
Amounts funded by deferred contributions - capital	(556,008)	(2,836,552)
	$ –	$ –

7. Internally restricted fund:

The Board of Directors has internally restricted the following:

(a) Operating fund - represents revenue in excess of expenses from non-Ministry funded services.

(b) Capital fund - the Organization's invested in capital assets (note 6) represents donated land and funded capital assets. In addition, the internally restricted funds represent a historical gain from sale of a property.

The internally restricted amounts are not available for other purposes without the approval by the Board of Directors.

8. Interfund transfers:

On an annual basis, the Board of Directors has internally restricted parking revenue related to the operation of the parking lots at its sites in excess of expenses to be used for future capital replacements.

9. Cash held in trust:

As at March 31, 2020 cash included amounts held in trust of $1,550,375. These funds were disbursed in October 2020 as final payment for the Redevelopment Project. Minimal interest was earned during 2020 prior to disbursement.

10. Credit facility:

The Organization has a credit facility agreement which consists of a line of credit for up to $900,000 (2020 - $900,000). The credit facility bears interest at the bank's prime rate and is repayable upon demand. The line is secured by a general security agreement. There is no amount drawn on this credit facility as at March 31, 2021 and 2020.

11. Contracts with the Ministry:

ERINOAKKIDS is funded for a number of programs with the Ministry. A requirement of these programs is the completion by management of an Annual Reconciliation Report, which shows a summary of all revenue and expenses and any resulting surplus or deficit related to the programs. As of fiscal year 2021, the Annual Reconciliation Report is no longer required. Programs which are in a surplus are included in accounts payables and accrued liabilities and programs which are in a deficit are recorded in accounts receivable. The balances payable (receivable) are as follows:

	2021	2020
ADP administrative fee	$ (28,000)	$ –
Complex Special Needs - Individual Placements	432	55,924
Special Services at Home Program	10,588	(157,351)
Early Intervention Demonstration Sites	(269,890)	(311,727)
School Based Rehabilitation Services	–	101,105
PSW Pandemic Pay	8,457	–

12. Ministry of Children, Community and Social Services ("MCCSS") revenue:

	2021 Revenue	2021 Expenses	2020 Revenue	2020 Expenses
MCCSS programs:				
Autism	$ 54,697,953	$ 54,697,953	$ 71,978,286	$ 71,978,286
Children's Rehabilitation Services	14,295,200	14,238,672	14,126,476	14,126,476
Early Child Development - PSL/IHP/BLV	9,673,438	9,673,438	9,129,413	9,129,413
Early Child Development - SBRS	7,492,227	7,492,227	7,649,674	7,649,674
Special Needs Program	2,877,440	2,877,440	3,013,145	3,013,145
Complex Special Needs	1,359,680	1,359,680	1,189,772	1,189,772
Early Intervention Demonstrations	1,334,423	1,334,423	521,319	521,319
Coordinated Service Planning	790,400	837,193	745,400	745,400
Respite Services	634,760	644,495	683,116	683,116
One-Time Funding - PSW Wage Enhancement Funding	10,823	10,823	–	–
Autism Court-Ordered	–		117,479	117,479
Ministry of Health and Long Term Care programs				
Physiotherapy Clinic	42,433	42,433	56,784	56,784
Assistive Devices Leasing Program	28,000	28,000	26,000	26,000
	$ 93,236,777	$ 93,236,777	$ 109,236,864	$ 109,236,864

13. Other revenue and recoveries:

	2021	2020
Sales and rentals	$ 3,443,983	$ 3,047,312
Diagnostic hub	1,027,400	930,600
Adult Respite Program	–	224,095
Client and other service fees	28,679	161,767
Grants and other income	190,541	121,878
Other revenue - capital	50,004	49,802
	$ 4,740,607	$ 4,535,454

14. Other funding and operating grants:

	2021	2020
Region of Peel - Early Childhood Resource Services	$ 2,000,234	$ 3,169,983
Halton Region - Special needs resourcing	131,459	198,332
Ontario Health Insurance Plan physician billings	–	66,963
Research grants	45,508	42,793
One-time grants and other income	165,157	49,873
	$ 2,342,358	$ 3,527,944

15. Donations and fundraising:

The funds raised during the year and related expenses are as follows:

	2021	2020
Operating fund donations and fundraising	$ 350,300	$ 779,886
Restricted donations:		
In My Dreams Campaign	432,850	541,617
Other	650,431	110,269
	1,433,581	1,431,772
Expenses:		
Operating	379,539	464,443
Clinical programs	160,963	107,852
	540,502	572,295
Net funds raised	$ 893,079	$ 859,477

16. Pension plan:

Most employees of ERINOAKKIDS are members of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees. Plan members will receive benefits based on length of service and the average annualized earnings during the five consecutive years that provide the highest earnings prior to retirement, termination or death.

Contributions to the Plan made during the year by ERINOAKKIDS on behalf of its employees amounted to $3,543,435 (2020 - $3,251,239) and is included in the statement of operations.

Since the Plan is a multi-employer plan, ERINOAKKIDS' contributions are accounted for as if the Plan were a defined contribution plan, with ERINOAKKIDS' contributions being expensed in the period they come due. Any pension surplus or deficit is a joint responsibility of members and employers and may affect future contribution rates related to members. ERINOAKKIDS does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify ERINOAKKIDS share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at December 31, 2019 indicated an actuarial surplus of $2,505,000.

17. Contingencies and indemnifications:

(a) Contingent liabilities:

On July 1, 1987, a group of health care organizations ("subscribers") formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a reciprocal pursuant to the Provincial Insurance Act, which permits persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage to health care organizations in the Provinces of Ontario, Manitoba, Saskatchewan and Newfoundland. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2021.

(b) Director/officer indemnifications:

The Organization indemnifies its directors/officers and former directors/officers to the extent permitted by legislation against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by them in connection with any action, suit or proceeding in which the directors and/or officers are used as a result of their service, if they acted honestly and in good faith with a view to the best interests of the Organization. The nature of the indemnification prevents the Organization from making a reasonable estimate of the maximum potential amount that it could be required to pay counterparties. The Organization has purchased directors' and officers' liability insurance. No amount has been accrued in the financial statements as at March 31, 2021 with respect to this liability.

18. Affiliated entity:

The ERINOAKKIDS Foundation (the "Foundation") was incorporated under the laws of Ontario without share capital as a not-for-profit organization with a sole purpose of raising funds for the Organization. Effective July 1, 2013, the Foundation became inactive and all fundraising activities were transferred to ERINOAKKIDS.

The Organization has assets and fund balances as at March 31, 2021 of $10 (2020 - $10). There was no activity for the year ended March 31, 2021 and 2020.

19. Financial, market and economic risk:

The Organization holds investments which are subject to market risk, interest rate risk and cash flow risk. These risks will also impact future cash flow streams, including dividends, gains and losses and interest income.

The value of equities changes with stock market conditions. The value of bonds will vary with developments within specific governments which issue securities.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The Government of Ontario ordered the closure of all non-essential businesses and the Organization responded to these events by ceasing in-person services, except for urgent medical and audiology appointments, on March 13, 2020. The Organization also enacted working from home requirements for those able to do so, and applied all mandated public health measures (limits on occupancy, screening, personal protective equipment, etc.) for the limited on-site services taking place. Ministry funding and cash flow continued and all pandemic-related expenses were eligible to be funded through the Organization's annual funding allocation. Revenue from in-person services, such as fee-for-service Autism Services, respite, and camps, ceased for a majority of the fiscal year, while virtual services commenced and continued through the fiscal year.

The current events and conditions are expected to be temporary, however there is uncertainty around the length of the disruption and impact on future operations. As a result, an estimate of the financial effect of these items is not practicable at this time.