

March 31, 2011

FINANCIAL STATEMENTS

**HASTINGS CHILDREN'S AID SOCIETY**

INDEPENDENT AUDITOR'S REPORT

To the Members of  
HASTINGS CHILDREN'S AID SOCIETY

We have audited the accompanying financial statements of HASTINGS CHILDREN'S AID SOCIETY, which comprise the balance sheet as at March 31, 2011 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of HASTINGS CHILDREN'S AID SOCIETY as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

Trenton, Ontario  
June 8, 2011

**HASTINGS CHILDREN'S AID SOCIETY  
BALANCE SHEET  
MARCH 31, 2011  
ASSETS**

2011	2010
<b>CURRENT ASSETS</b>	
Cash	\$ 1,938,805
Accounts receivable	241,944
Societies and other receivables	466,277
Due from Province of Ontario	733,994
Investments	-
Prepaid expenses	23,051
	<u>218,334</u>
	2,588,754
<b>TREASURER'S ACCOUNT - per schedule 1</b>	85,632
<b>TRUST AND SPECIAL PROJECT FUNDS - per schedule 4</b>	723,328
<b>TANGIBLE CAPITAL ASSETS - note 4</b>	9,753,771
	<u>10,053,342</u>
	\$ 13,451,056

**LIABILITIES AND FUND BALANCE**

<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 3,394,962
Payable to Trust and Special Project funds	471,975
Payable to Treasurer's Account	501,420
Payable to Province of Ontario	11,218
Current portion of long-term debt	3,215,644
Due to Province of Ontario	19,116
	<u>22,207</u>
	7,490,832
<b>TREASURER'S ACCOUNT - per schedule 1</b>	85,632
<b>TRUST AND SPECIAL PROJECT FUNDS - per schedule 5</b>	723,328
<b>LONG-TERM DEBT - note 5</b>	6,896,270
<b>FUND BALANCE</b>	
Invested in capital assets - per schedule 7	2,526,419
Operating fund deficit - note 6	(993,809)
	<u>1,532,610</u>
	914,909
	<u>\$ 13,451,056</u>

Approved by the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

(See accompanying notes)

**HASTINGS CHILDREN'S AID SOCIETY  
STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2011**

	<u>2011</u>	<u>2010</u>
Net expenditures fundable by the Province of Ontario - per schedule 3	\$ 31,741,687	\$ 31,808,908
Capital expenditure included in above	-	(78,779)
Principal repaid on mortgage included in above	(289,062)	(178,305)
Revenue	31,452,625	31,551,824
Province of Ontario operations funding - note 10	32,490,341	31,893,973
Annual surplus before items below	1,037,716	342,149
Amortization expense	(420,015)	(309,850)
<b>ANNUAL SURPLUS</b>	<b>\$ 617,701</b>	<b>\$ 32,299</b>

(See accompanying notes)

**HASTINGS CHILDREN'S AID SOCIETY**

**STATEMENT OF CHANGES IN FUND BALANCES**

**YEAR ENDED MARCH 31, 2011**

	Invested in Capital Assets	Operating Fund	Total
	2011	2011	2010
Balance (deficit) at start of year	\$ 2,657,372	\$ (1,742,463)	\$ 914,909
Annual Surplus (deficit)	(420,015)	1,037,716	617,701
Principal repaid in year	2,237,357	(704,747)	1,532,610
	289,062	(289,062)	-
Balance (deficit) at end of year	\$ 2,526,419	\$ (993,809)	\$ 1,532,610
	914,909	914,909	32,299
	914,909	914,909	914,909

*(See accompanying notes)*

**HASTINGS CHILDREN'S AID SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2011**

2011                      2010

**CASH PROVIDED BY (USED IN)**

	\$	617,701	\$	32,299
Operating transactions		420,015		309,850
Changes in the following:				
Societies and other receivables		(224,333)		154,045
Due from Province of Ontario		(567,374)		246,756
Prepaid expenses		(112,002)		(755)
Accounts payable and accrued liabilities		(345,381)		(37,907)
Due to/from Trust and Special Project Funds		(29,445)		(78,446)
Due to Province of Ontario		(3,091)		22,207
Payable to Treasurer's Account		(11,218)		(5,450)
Investing transactions		(120,444)		(1,596,783)
Acquisition of tangible capital assets		23,051		(38)
Increase (decrease) in investments		(97,393)		(1,596,821)
Financing transactions		(289,062)		(178,305)
Repayment of long-term debt		63,068		1,768,589
Advances in long-term debt		(225,994)		1,590,284
Increase (decrease) in cash		(578,515)		636,062
CASH, beginning of year		1,938,805		1,302,743
CASH, end of year		1,360,290		1,938,805
Supplementary Information:				
Interest paid		363,966		\$ 239,272

(See accompanying notes)

**HASTINGS CHILDREN'S AID SOCIETY**

**BALANCE SHEET**

**TREASURER'S ACCOUNT**

**MARCH 31, 2011**

**ASSETS**

	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>		
Investments - per schedule 4	\$ 86,031	\$ 74,414
Due from Operating Fund	-	11,218
	<u>\$ 86,031</u>	<u>\$ 85,632</u>

**FUND BALANCE**

<b>FUND BALANCE - per schedule 2</b>	<u>\$ 86,031</u>	<u>\$ 85,632</u>
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*(See accompanying notes)*

**SCHEDULE 2**

**HASTINGS CHILDREN'S AID SOCIETY**

**SCHEDULE OF REVENUE, EXPENDITURES AND FUND BALANCE**

**TREASURER'S ACCOUNT**

**YEAR ENDED MARCH 31, 2011**

	2011	2010
<b>REVENUE</b>		
Investment income	\$ 399	\$ 168
<b>EXPENDITURES</b>		
	-	5,449
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	399	(5,281)
<b>FUND BALANCE, beginning of year</b>	85,632	90,913
<b>FUND BALANCE, end of year</b>	\$ 86,031	\$ 85,632

*(See accompanying notes)*



HASTINGS CHILDREN'S AID SOCIETY  
 SCHEDULE OF EXPENDITURES - OPERATING ACCOUNT  
 YEAR ENDED MARCH 31, 2011

	2011	2010
Salaries	\$ 12,350,137	\$ 11,754,868
Benefits	2,703,310	2,619,103
Travel	1,204,490	1,116,377
Training and recruitment	83,351	160,775
Building occupancy	1,322,991	949,735
Purchased services non-client	114,160	93,327
Program expenses	31,513	52,302
Boarding home payments	11,623,348	12,416,510
Professional services client	453,591	683,262
Client personal needs	1,626,321	1,496,660
Health and related	592,712	638,769
Financial assistance	124,889	121,252
Promotion and publicity	73,085	93,858
Office administration	524,947	460,626
Miscellaneous	192,596	174,768
Technology	245,290	426,761
<b>TOTAL EXPENDITURES</b>	<b>33,266,731</b>	<b>33,258,953</b>
Expenditure recoveries	(286,681)	(111,752)
Non-retainable revenues	(1,238,363)	(1,338,293)
<b>NET EXPENDITURES</b>	<b>\$ 31,741,687</b>	<b>\$ 31,808,908</b>

(See accompanying notes)

HASTINGS CHILDREN'S AID SOCIETY  
 SCHEDULE OF INVESTMENTS  
 MARCH 31, 2011

Market Value	Cost	
\$ 86,031	\$ 86,031	TREASURER'S ACCOUNT Money Market Fund
\$ 471,974	\$ 471,974	TRUST AND SPECIAL PROJECT FUNDS
11,317	11,317	Receivable from Operating Fund
20,283	20,283	Special Project Funds
45,864	45,864	GIC
221,551	221,551	Trust Funds
45,864	45,864	- Employee self funded leave - Savings account
221,551	221,551	- Children in care - Mutual funds, GIC's and
45,864	45,864	Savings Accounts
\$ 770,989	\$ 770,989	Ontario Child Benefit equivalent - Savings account

(See accompanying notes)

**SCHEDULE 5**

**HASTINGS CHILDREN'S AID SOCIETY  
 SCHEDULE OF TRUST AND SPECIAL PROJECT FUNDS  
 YEAR ENDED MARCH 31, 2011**

	Balance March 31, 2010	Receipts	Disbursements	Balance March 31, 2011
<b>SEGREGATED TRUST FUNDS</b>				
Children in care	\$ 59,471	\$ 2,663	\$ 18,051	\$ 44,083
Universal Child Care Benefit - note 11	85,041	57,600	85,059	57,582
Executive Director's Assistant's conference fund	8,468	1,600	10,068	-
Employee self-funded leave	12,849	20,283	12,849	20,283
Ontario Child Benefit equivalent - note 11	370,743	241,011	265,426	346,328
Ontario Child Benefit equivalent saving program	158,720	127,852	67,134	219,438
	<u>695,292</u>	<u>451,009</u>	<u>458,587</u>	<u>687,714</u>
<b>SPECIAL PROJECT FUNDS</b>				
Independent Living Project - schedule 6	-	48,614	48,614	-
Designated Donations	15,539	592	550	15,581
Designated Donations - North Hastings	148	-	-	148
Residence Fundraising	617	-	-	617
Parent - Adolescent Education	6,391	-	6,391	-
Crown Ward Education	2,841	90,000	58,329	34,512
Foundation Donations	2,500	8,340	10,840	-
Merger Cosis	-	91,680	88,438	3,242
Passport to Success	-	6,100	-	6,100
Family Enhancement	-	25,000	1,925	23,075
	<u>28,036</u>	<u>270,326</u>	<u>215,087</u>	<u>83,275</u>
<b>TOTAL TRUST AND SPECIAL PROJECT FUNDS</b>	<b>\$ 723,328</b>	<b>\$ 721,335</b>	<b>\$ 673,674</b>	<b>\$ 770,989</b>

(See accompanying notes)

**HASTINGS CHILDREN'S AID SOCIETY  
INDEPENDENT LIVING PROJECT  
YEAR ENDED MARCH 31, 2011**

<u>2011</u>	<u>2010</u>
\$ -	\$ -
<b>RECEIPTS:</b>	
Province of Ontario	48,614
DISBURSEMENTS:	48,614
Salaries and benefits	48,614
FUND BALANCE, beginning of year	FUND BALANCE, end of year
\$ -	\$ -

*(See accompanying notes)*

HASTINGS CHILDREN'S AID SOCIETY  
 INVESTED IN CAPITAL ASSETS  
 YEAR ENDED MARCH 31, 2011

	2011	2010
Invested in capital assets, beginning of year	\$ 2,657,372	\$ 2,710,138
Tangible capital assets purchased in year	120,444	1,596,783
Amortization expense for year	(420,015)	(309,850)
Principal repaid in year	289,062	178,305
Loans advanced to finance purchases	(63,068)	(1,768,590)
Timing differences related to capital assets to be financed	(57,376)	250,586
Invested in capital assets, end of year	\$ 2,526,419	\$ 2,657,372

Invested in capital assets is represented by:

Tangible capital assets	\$ 9,753,771	\$ 10,053,341
Related long-term debt	(7,226,005)	(7,451,999)
Excess of net mortgage proceeds over cost of real estate purchased	-	9,709
Timing differences related to capital assets financed	(1,347)	46,321
	\$ 2,526,419	\$ 2,657,372

Invested in capital assets consists of:

363 Dundas St West down payment funded from Treasurer's Account	230,000	\$ 230,000
363 Dundas St West down payment funded by Province	300,000	300,000
363 Dundas St West building improvements and equipment financed by Province	327,488	327,488
371 Dundas St West down payment funded by Province	109,650	109,650
377 Dundas St West down payment funded from Treasurer's Account	66,725	66,725
535 Willet Rd purchase and improvements funded from Retainable Revenues	228,350	228,350
Infill project funded by Province	1,816,210	1,816,210
Principal payments funded out of operations	1,400,865	1,111,803
Other tangible capital asset purchases funded from operations	469,431	469,431
Amortization expense	(2,422,300)	(2,002,285)
	\$ 2,526,419	\$ 2,657,372

(See accompanying notes)

**HASTINGS CHILDREN'S AID SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The Society follows the accounting policies set out by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants for senior governments and their agencies. The policies followed by the Society are consistent with those used by the Province of Ontario with significant policies outlined below:

**Tangible Capital Assets**

Tangible Capital assets are stated at acquisition cost. Amortization is provided at the following methods and annual rates:

Building - 4% declining balance  
Furniture and fixtures - 4 years straight line  
Leasehold improvements - remaining term of lease to a maximum of 10 years straight line  
Paving and parking lot - 10 years straight line  
Computer software and hardware - 4 years straight line

**Accrual Basis Accounting**

The basis of accounting followed in the financial statement presentation includes revenue in the period in which the transactions or events occurred that give rise to the revenues, and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due. The Society is funded by the Province of Ontario under a funding model. Additional funding may be available if mitigating conditions exist. Revenue from the Province of Ontario recognized in these financial statements only includes funding determined under the funding model plus any mitigation funding approved for the current year as of the date the financial statements were prepared. If mitigation funding is approved subsequent to the financial statement preparation date it is recognized in the years received. If the Society's provincial funding exceeds the net expenditures as determined under the modified accrual basis outlined in note 3 for a fiscal year, provincial revenue is reduced accordingly and recorded as an amount payable.

**Interest Rate Swap Agreement**

The Society has entered into an interest rate swap agreement with a chartered bank to fix interest rate expense associated with certain long-term debt obligations. The agreement has the effect of converting the floating rate of interest on certain debt to a fixed rate. The Society does not use derivative financial instruments for trading or speculative purposes.

The Society designates each interest rate swap agreement as a hedge of a specifically identified debt instrument and believes the swap agreements are effective hedges, both at maturity and over the term of the agreement, as the notional principal amount and the interest rate basis in the swaps all match the terms of the debt instrument being hedged. The swap agreements include periodic exchange of payment without the exchange of the notional principal amount upon which the payments are based. The payments are recorded as an adjustment of interest expense on the hedged debt instrument.

In the event that the interest rate swap agreements are terminated or cease to be effective in part or in whole prior to maturity any associated realized or unrealized gains or losses are recognized in income. In the event a designated hedged debt instrument is extinguished or matures prior to the termination of the related interest rate swap agreement, any realized or unrealized gain or loss is recognized in income.

HASTINGS CHILDREN'S AID SOCIETY  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2011

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements using Canadian generally accepted accounting principles and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, currency, or credit risks arising from these financial instruments. The fair values of financial instruments other than investments and long-term debt approximate carrying value due to their short-term nature. The fair value of investments is disclosed in Schedule 4. The fair value of long-term debt is not practically determinable. The terms and conditions of long-term debt are presented at note 5.

3. EXPENDITURES NON-CLAIMABLE FROM THE PROVINCE OF ONTARIO

As outlined in note 1 above the Society follows the full accrual method of accounting. The Province of Ontario recognizes certain expenditures only when paid and as a result certain of these expenditures are only eligible for funding when paid. The Province funds capital expenditure at the time of purchase except for those that are financed in which case funding occurs at the time that principal payments are made.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of:

	2011	2010
Land	\$ 644,711	\$ 644,711
Building	10,555,372	1,654,426
Furniture and fixtures	241,564	208,407
Leasehold improvements	115,320	115,320
Paving and parking lot	202,870	77,150
Computer software and hardware	151,979	102,742
	\$ 11,911,816	\$ 2,158,045
		Accumulated
		Amortization
		Net
		\$ 9,753,771
		Net
		\$ 10,053,342

HASTINGS CHILDREN'S AID SOCIETY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2011

5. LONG-TERM DEBT

Long-term debt consists of the following:

				<p>Bankers acceptance, interest at Royal Bank BA rate at time of renewal plus 40% per annum acceptance fee. Interest is fixed with an interest rate swap agreement at 5.29% until March 2026. next monthly renewal to the swapped rate. Principal is reduced each monthly renewal as follows: \$9,000 per month from April 2011 to December 2011, \$10,000 per month from January 2012 to November 2013, \$11,000 per month from December 2013 to August 2015 and \$12,000 per month from September 2015 to March 2016. Remaining balances due March 2016. Secured by a general security agreement creating a first ranking security interest in all personal property of the Society and a first mortgage over 363 Dundas Street West, Belleville, Ontario.</p>
2011	\$ 2,489,000	\$ 2,597,000		
2010			25,578	12,358
				<p>Bridge financing demand loan, interest at Royal Bank prime rate, repayable in full on the earliest of the receipt by the Borrower of the proceeds of refinancing and April 30, 2010. Secured by a general security agreement creating a first ranking security interest in all personal property of the Society and a first mortgage over 363 Dundas Street West, Belleville, Ontario.</p>
	444,421			
	4,224,000	4,385,000	7,451,999	6,725,358



HASTINGS CHILDREN'S AID SOCIETY  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2011

5. LONG-TERM DEBT (continued)

Balance forward

\$ 6,725,358 \$ 7,451,999

Term loan 4.50%, repayable in blended monthly

instalments of \$5,260 with the balance due

January 31, 2021. Secured by a general security agreement

creating a first ranking security interest in all

personal property of the Society and a first mortgage

over 363 Dundas Street West, Belleville, Ontario

Current portion

500,647	7,226,005
	329,735
	<u>7,451,999</u>
	3,215,644
	<u>\$ 4,236,355</u>

Principal repayments over the next five years are estimated to be as follows:

2012	\$ 329,735
2013	335,336
2014	346,327
2015	363,409
2016	378,552
Thereafter	5,472,646

Interest expense of \$363,966 (2010 - \$239,272) has been included in building occupancy costs on the Schedule of Expenditures - Operating Account.

6. FUND BALANCE (DEFICIT)

The operating fund deficit consists of amounts which are either payments that have been made and are non-fundable, expenses that have been accrued and are non-fundable until actual payments are made or expenditures in excess of approved funding. At March 31, 2011 the operating fund deficit was comprised of:

Retainable revenues	\$ 180,527	\$ 180,527
Expenses that are non-fundable until paid	(799,260)	(792,170)
- accrued vacation and overtime pay	(375,035)	(397,320)
- accrued frozen sick bank	(41)	(733,500)
Expenditures in excess of approved funding	(993,809)	<u>\$ (1,742,463)</u>

7. COMMITMENTS

The Society has entered into various leases for premises and certain office equipment. Future minimum lease payments under leases are as follows:

2012	\$ 191,400
2013	111,574
2014	35,961
2015	8,246
2016	-

**HASTINGS CHILDREN'S AID SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2011**

**8. ECONOMIC DEPENDENCE**

The Society receives substantially all of its funding from the Province of Ontario and is economically dependent on this funding.

**9. PENSION AGREEMENTS**

The Society belongs to the Ontario Municipal Employees Retirement Fund ("OMERS"). OMERS is a multi-employer defined benefit plan which specifies the amounts of the retirement benefits to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS in the year was \$860,054 (2010 - \$796,263) for current service and is included as an expenditure on the statement of operations.

**10. PROVINCIAL FUNDING RECONCILIATION**

Provincial funding recognized in revenue consists of the following:

	2011	2010
Operating Grant	\$ 31,756,839	\$ 31,768,055
Current year approved funding	733,502	125,918
Prior year deficit funded in year	<u>\$ 32,490,341</u>	<u>\$ 31,893,973</u>

**11. CHILDREN'S SPECIAL FUNDS**

The Society receives the Universal Child Care Benefit (UCCB) for children under the age of 7 and Ontario Child Benefit Equivalent (OCBE) for children under the age of 18 from the Federal and Ontario governments respectively for children in Care of the Society. Under a directive from the Federal government, the UCCB must be invested in Registered Education Savings Plans (RESP) for each individual child that they receive the UCCB for with the Society as the subscriber. The Society must manage these funds, even if the child leaves the care of the Society, until the child utilizes the funds for post secondary education or the child turns 25. Under a directive from the Ontario government, the OCBE is restricted to fund social, educational or recreational activities of benefit to the specific child and/or to provide savings for children 15 to 17 years of age. Both the RESP and OCBE savings must be tracked individually by child. The Society has and will incur incremental costs related to administering and tracking these funds. The Ontario government has not provided any additional funds in the current year's annual funding towards offsetting administration costs related to the OCBE program. The RESP accounts are not reflected in the financial statements.

As of March 31, 2011, RESP accounts with a value of \$327,657 are held in the Society Plans. These amounts include Society contributions, federal grants and income earned on the funds. These funds are invested in guaranteed investment certificates.

**HASTINGS CHILDREN'S AID SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2011**

**12. SUBSEQUENT EVENTS**

The Board of Directors of the Society has approved an Amalgamation Plan with The Children's Aid Society of Northumberland and The Children's Aid Society of the County of Prince Edward. The Plan was submitted to the provincial government on March 31, 2011. The provincial government has not yet approved the Plan. If the Plan is approved, the new amalgamated Corporation would begin operations on April 1, 2012.

**13. CONTINGENT LIABILITY**

During the year, the Society became aware that Canada Revenue Agency (CRA) has taken the position that outside placed foster care (where the Society does not directly pay the foster parents but rather is invoiced by a third party entity) is subject to GST/HST. The Society has never been charged GST/HST on the invoices from any of these entities in the past. It is unclear at this time the Society's exposure to liability with respect to this matter. However, if all of the entities the Society have engaged to provide outside placed foster care in the last four years were to be audited by CRA or voluntary report GST/HST to CRA and then invoiced the Society for GST/HST on services provided in the last four years, the Society would have to pay approximately \$920,000 to the entities. The Society could claim rebates of approximately \$520,000 on the GST/HST paid. At this point the Society is only aware of one outside place foster care provider who had been assessed by CRA with respect to this matter and the Society did not deal with this provider. No provision has been made in these financial statements for any potential liability relating to this matter.