



1100 Chemong Rd., Peterborough, ON K9H 7S2
T 705 743 9751 | TF 1 800 661 2843 | F 705 743 7858

May 29th, 2024

Mayor Elmslie
City of Kawartha Lakes
26 Francis Street, P.O. Box 9000
Lindsay, ON K9V 5R8
Sent via email: delmslie@kawarthalakes.ca

Dear Mayor Elmslie

On behalf of Kawartha-Haliburton Children's Aid Society ("the Society"), we are writing today to provide you with an update on the challenges facing our respective communities that have led to significant financial challenges.

As you are aware, from our previous engagements in the spring of 2023 and follow-up communications since that time, the Society reported a deficit budget of \$2.74 million for the fiscal year 2022/2023 and was anticipating a deficit of \$5.7 million for fiscal 2023/2024. The cause of the deficits, as shared, are a result of decreased funding to the Society year over year, combined with increased costs to deliver services to children, youth and families, particularly for the growing number of children and youth we are working with who have complex special needs.

The Society's Board of Directors and Senior Leadership Team are acutely aware of the legislated obligations to deliver mandated child protection services under the *Child, Youth and Family Services Act, 2017* and that Ontario Regulation 156/18 requires the Society to deliver these services within the annual Funding Allocation provided. As a result, the Board and Senior Leadership Team have been regularly engaged with the Ministry via the Regional Office and agreed to participate in a Collaborative Operational Review (the 3rd review since 2016) which commenced in January of 2024 and concluded on March 28th, 2024. The focus of the Review was how service decisions intersect with finances. To date, the Board and Senior Leadership Team have been provided high-level observations from the Review Team and similar to previous reviews, the initial observations provided have not identified any significant opportunities for cost savings.

Committed to the requirement to deliver mandated services with the requirement to do so within the Funding Allocation, the Board and Senior Leadership Team have taken steps to reduce expenditures that have no direct impact to services delivered to children, youth and families. However, costs continue to increase, particularly for children in care and with no tangible immediate savings identified by the preliminary Review Report, the Board are left in an untenable position to make decisions to reduce expenditures in the areas that will have the most direct impact to children, youth and families including staffing reductions.