

Financial Statements of

**FAMILY AND CHILDREN'S  
SERVICES OF FRONTENAC,  
LENNOX AND ADDINGTON**

Year ended March 31, 2021

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

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Year ended March 31, 2021

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## INDEPENDENT AUDITORS' REPORT

To the Members of Family and Children's Services of Frontenac, Lennox and Addington

### **Opinion**

We have audited the financial statements of Family and Children's Services of Frontenac, Lennox and Addington (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 fund balances 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, 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, its changes in fund balances, its cash flows and its remeasurement gains and losses 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 "**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 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 public sector accounting standards, 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 represent 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*

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Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 15, 2021

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

## Statement of Financial Position

March 31, 2021, with comparative information for 2020

	Operating Fund	Externally Restricted Funds	Capital Fund	2021 Total	2020 Total
<b>Assets</b>					
<b>Current assets:</b>					
Cash	\$ 408,739	\$ 566,149	\$ –	\$ 974,888	\$ 994,039
Accounts receivable	642,558	–	–	642,558	487,202
Prepaid expenses	257,589	–	–	257,589	210,774
Due from Province of Ontario	881,785	–	–	881,785	261,189
Due from capital fund	491,843	–	–	491,843	491,843
Due from operating fund	–	100,089	–	100,089	96,558
	2,682,514	666,238	–	3,348,752	2,541,605
Capital assets (note 2)	–	–	27,422,848	27,422,848	27,782,388
	\$ 2,682,514	\$ 666,238	\$ 27,422,848	\$ 30,771,600	\$ 30,323,993

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Statement of Financial Position (continued)


March 31, 2021, with comparative information for 2020

	Operating Fund	Externally Restricted Funds	Capital Fund	2021 Total	2020 Total
<b>Liabilities and Fund Balances</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 2,358,183	\$ 272,036	\$ -	\$ 2,630,219	\$ 2,011,918
Deferred revenue	9,462	-	-	9,462	9,533
Due to the Province of Ontario	173,118	-	-	173,118	63,914
Funds held in trust (note 4)	-	53,443	-	53,443	76,015
Due to externally restricted fund	100,089	-	-	100,089	96,558
Due to operating fund	-	-	491,843	491,843	491,843
Current portion of long-term debt (note 5)	-	-	5,155,788	5,155,788	675,645
	2,640,852	325,479	5,647,631	8,613,962	3,425,426
Long-term debt (note 5)	-	-	16,530,290	16,530,290	22,434,221
Deferred capital contributions (note 7)	-	-	2,887,263	2,887,263	2,959,861
	2,640,852	325,479	25,065,184	28,031,515	28,819,508
<b>Fund balances:</b>					
Unrestricted (deficiency)	41,662	-	-	41,662	(6,993)
Externally restricted	-	340,759	-	340,759	290,660
Capital	-	-	2,357,664	2,357,664	1,220,818
	41,662	340,759	2,357,664	2,740,085	1,504,485
Economic dependence (note 8)					
Contingent liabilities (note 9)					
	\$ 2,682,514	\$ 666,238	\$ 27,422,848	\$ 30,771,600	\$ 30,323,993

See accompanying notes to financial statements.

On behalf of the Board:

Christa Walsh Director

 Director

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

## Statement of Operations

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

	Operating Fund	Externally Restricted Funds	Capital Funds	2021 Total	2020 Total
<b>Revenue:</b>					
Province of Ontario	\$ 27,053,999	\$ 119,560	\$ -	\$ 27,173,559	\$ 27,544,738
<b>Recoveries and income:</b>					
Expense recoveries	745,908	39,906	-	785,814	936,916
Non-retainable revenue	845,275	4,287	-	849,562	971,380
Donations	-	218,393	-	218,393	148,725
Amortization of deferred capital contributions	-	-	72,598	72,598	80,098
	28,645,182	382,146	72,598	29,099,926	29,681,857
<b>Expenses:</b>					
Salaries	12,851,606	12,156	-	12,863,762	13,184,491
Employee benefits	3,693,022	895	-	3,693,917	3,782,720
Transportation related to agency service	260,135	-	-	260,135	805,274
Training and recruitment	268,583	-	-	268,583	278,756
Building occupancy	1,398,094	-	-	1,398,094	1,447,751
Professional services - non-client	170,770	-	-	170,770	223,382
Program costs	17,435	8,137	-	25,572	16,175
Boarding program	3,465,073	-	-	3,465,073	3,382,631
Professional services - client	1,477,733	16,009	-	1,493,742	1,525,000
Client personal needs	534,306	133,530	-	667,836	918,145
Client health and related expenses	125,789	-	-	125,789	179,406
Financial assistance	1,250,700	113,521	-	1,364,221	1,312,087
Promotion and publicity	23,887	40,651	-	64,538	67,549
Office administration	185,481	7,148	-	192,629	184,893
Miscellaneous	455,634	-	-	455,634	364,552
Technology	334,552	-	-	334,552	454,016
Amortization of capital assets	-	-	1,019,479	1,019,479	928,936
	26,512,800	332,047	1,019,479	27,864,326	29,055,764
<b>Excess of revenue over expenses (expenses over revenue)</b>	\$ 2,132,382	\$ 50,099	\$ (946,881)	\$ 1,235,600	\$ 626,093

See accompanying notes to financial statements.



# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

## Statement of Changes in Fund Balances

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

	Unrestricted Fund	Externally Restricted Funds	Capital Fund	2021 Total	2020 Total
Balance (deficiency), beginning of year	\$ (6,993)	\$ 290,660	\$ 1,220,818	\$ 1,504,485	\$ 878,393
Excess revenue over expenses (expenses over revenue)	2,132,382	50,099	(946,881)	1,235,600	626,093
Interfund transfers	(2,083,727)	–	2,083,727	–	–
<b>Balance, end of year</b>	<b>\$ 41,662</b>	<b>\$ 340,759</b>	<b>\$ 2,357,664</b>	<b>\$ 2,740,085</b>	<b>\$ 1,504,485</b>

See accompanying notes to financial statements.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

## Statement of Cash Flows

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

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 1,235,600	\$ 626,093
Items not involving cash:		
Amortization of capital assets	1,019,479	928,936
Amortization of deferred capital contributions	(72,598)	(80,098)
Changes in non-cash operating working capital:		
Accounts receivable	(155,356)	(120,151)
Prepaid expenses	(46,815)	(4,156)
Due from Province of Ontario	(620,596)	(209,584)
Deferred revenue	(71)	3,166
Accounts payable and accrued liabilities	618,301	18,552
Due to the Province of Ontario	109,204	(181,366)
Funds held in trust	(22,572)	8,114
	<u>2,064,576</u>	<u>989,506</u>
Financing:		
Repayment of long-term debt	(1,423,788)	(1,766,402)
Investments:		
Purchase of capital assets	(659,939)	(101,491)
Decrease in cash	(19,151)	(878,387)
Cash, beginning of year	994,039	1,872,426
Cash, end of year	<u>\$ 974,888</u>	<u>\$ 994,039</u>

See accompanying notes to financial statements.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements

Year ended March 31, 2021

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On April 1, 2012, Family and Children's Services of Frontenac, Lennox and Addington (the "Agency") was incorporated without share capital under the laws of Ontario as a result of an amalgamation of the Children's Aid Society of the City of Kingston and the County of Frontenac and the Lennox and Addington Family and Children's Services. The Agency's principle activity is to discharge the functions of a Children's Aid Society under the Child, Youth and Family Services Act 2019.

The Agency is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes.

## 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

### (a) Fund accounting:

The Agency follows the restricted fund method of accounting for contributions.

The Agency operates the following funds:

The Operating Fund accounts for the activities associated with the Agency's day-to-day activities. This fund reports unrestricted resources.

The Externally Restricted Funds report only restricted resources that are to be used for the following funds:

- (i) The Futures Fund provides bursaries to previous wards of the Agency.
- (ii) The Enrichment Fund provides for the needs and services of clients of the agency which are not usually provided for with funds within the operating budget of the Agency.
- (iii) The Ontario Child Benefit equivalent ("OCBE") Fund provides children and youth ages 0 to 17 in care with access to recreational, educational, cultural and social opportunities and a savings program for youth aged 15 to 17, who meet certain criteria, to assist with a successful transition to independent living.
- (iv) Out of Home Respite supports the day respite program (Kool Kamp) for families with children with physical and or developmental disabilities and complex needs in the County of Lennox and Addington.

The Capital Fund reports the Agency's investment in capital assets.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (b) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. 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 the Agency's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

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	Useful lives
Buildings	30 to 50 years
Land improvements	10 years
Furniture and equipment	5 to 10 years
Telephone and information systems	5 years
Computer equipment	5 years
Licenses and software	5 years
Vehicles	5 years

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Amortization of work-in-progress, is not recorded until construction or development is substantially complete and the assets are placed into productive use.

### (c) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue of the respective fund as earned.

Capital contributions received for the purpose of funding acquisition of capital assets are deferred and amortized to income on a basis consistent with the amortization of the related capital asset.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (d) 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.

### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Agency has not elected to subsequently carry any such financial instruments at fair value.

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, the Agency 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 the Agency 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.

### (f) Employee future benefits:

The Agency makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer, defined benefit pension plan. The Agency has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

### (g) Use of estimates:

The preparation of the 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. Actual results could differ from those estimates.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 2. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 806,242	\$ –	\$ 806,242	\$ 806,242
Buildings	31,206,829	5,692,371	25,514,458	26,120,307
Land improvements	237,916	179,068	58,848	79,783
Furniture and equipment	2,357,971	2,063,103	294,868	455,080
Telephone and information systems	1,174,453	1,172,083	2,370	5,290
Computer equipment	1,918,143	1,645,766	272,377	256,538
Licenses and software	623,828	535,604	88,224	13,578
Vehicles	275,102	216,788	58,314	45,570
Work-in-progress	327,147	–	327,147	–
	<b>\$ 38,927,631</b>	<b>\$ 11,504,783</b>	<b>\$ 27,422,848</b>	<b>\$ 27,782,388</b>

Cost and accumulated amortization at March 31, 2020 amounted to \$38,267,692 and \$10,485,304, respectively.

## 3. Bank overdraft:

The Agency's financial agreement with its bank provides for an operating credit facility of up to \$500,000 to finance operating expenses. Interest on funds drawn is charged at the bank's prime rate less 0.25%. As at March 31, 2021, there was \$Nil (2020 - \$Nil) drawn on the operating credit facility.

## 4. Funds held in trust:

The Agency acts as a host agency for various Funds dedicated for a specific use, or for specific individuals. Part of these Funds are held for the purpose of opening RESPs for children and youth in care whom meet certain criteria, as directed by the Ministry of Children, Community and Social Services. As at March 31, 2021, the amount of the RESP Funds included in the total is \$47,109 (2020 - \$67,903).

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 4. Funds held in trust (continued):

Once accounts are open, RESP's are removed from the Agency's Statement of Financial Position and are no longer reflected in the Agency's assets and liabilities. The value of individual RESP's accounts opened is as follows and does not include associated grant and bonds:

	2021	2020
Total Contributions open in RESPs held with Royal Bank, end of year	\$ 1,065,340	\$ 1,048,476

## 5. Long-term debt:

	2021	2020
Long-term debt payable in monthly installments of \$24,774 including principal and interest at 2.70% per annum, due July 4, 2021	\$ 4,654,452	\$ 4,824,261
Long-term debt payable in monthly installments of \$95,668 including principal and interest at 3.593% per annum, due October 18, 2023	17,031,626	18,285,605
	21,686,078	23,109,866
Less current portion	5,155,788	675,645
	\$ 16,530,290	\$ 22,434,221

The two mortgages outlined above that form the long-term debt are each amortized over a 30 year period, ending July 2041 and November 2043, respectively.

The two mortgages are secured by a general security agreement representing a first charge on the Agency's present and after acquired property, assignment of insurance and the continuing collateral mortgage on the administrative buildings located in Kingston and Napanee.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 5. Long-term debt (continued):

Future principal payments required on long-term debt for the next three years are as follows:

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2022	\$ 5,155,788
2023	517,941
2024	16,012,349
	<hr/>
	\$ 21,686,078

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Interest on long-term debt in the amount of \$771,525 (2020 - \$829,253) is included in building occupancy expense on the Statement of Operations.

## 6. Pension agreements:

The Agency makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Board of Trustees representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to approximately 1,000 employers and 450,000 plan members.

Each year an independent actuary determines the funding status of the OMERS pension plan (the Plan) by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation disclosed total actuarial liabilities of \$113,055 million in respect of defined benefit obligations with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 million. As OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of employers and plan members participating in the Plan. The Agency has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. As a result, the Agency does not recognize any share of the OMERS pension deficit.

The amount contributed to OMERS during the year for current service was \$1,227,654 (2019 - \$1,290,984) and is included in employee benefits expense in the Statement of Operations.



# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 7. Deferred capital contributions:

The balance of unamortized deferred capital contributions consist of the following:

	2021	2020
Unamortized capital contributions used to purchase assets	\$ 2,887,263	\$ 2,959,861

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

	2021	2020
Balance, beginning of year	\$ 2,959,861	\$ 3,039,959
Less amounts amortized to revenue	(72,598)	(80,098)
Balance, end of year	\$ 2,887,263	\$ 2,959,861

## 8. Economic dependence:

The Agency is economically dependent on the Ministry of Children, Community and Social Services (the "Ministry") to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects.

## 9. Contingent liabilities:

### (a) Provincial subsidy revenue:

The operating subsidy is recognized based on the approved fiscal allocation by the Ministry, Province of Ontario. Program surpluses may be recovered by the Province of Ontario based on an annual Ministry reconciliation performed subsequent to year end. Any recoveries will be reported as an adjustment to revenue in the Statement of Operations in the year of recovery.

### (b) Legal claims:

The nature of the Agency's activities is such that there may be litigation pending or in prospect at any time. With respect to claims at March 31, 2021, management believes that the Agency has valid defenses and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Agency's financial position.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 9. Contingent liabilities:

### (c) Letter of credit:

The Agency has an outstanding letter of credit of \$Nil (2020 - \$52,712) to the Corporation of the City of Kingston related to the 817 Division Street building project.

## 10. Financial risks and concentration of risk:

### (a) Liquidity risk:

Liquidity risk is the risk that the Agency will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Agency manages its liquidity risk by monitoring its operating requirements. The Agency prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2020.

### (b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Agency is exposed to credit risk with respect to cash and accounts receivable. The Agency holds its cash with reputable financial institutions. The Agency assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in an allowance for doubtful accounts. The Agency's allowance for doubtful accounts as at March 31, 2021 is \$Nil (2020 - \$Nil). There has been no change to the risk exposure from 2020.

### (c) Interest rate risk:

The Agency is exposed to interest rate risk on its variable interest rate line of credit and its fixed interest rate long-term debt. Further details about bank loans and the long-term debt are included in notes 3 and 5 respectively. There has been no change to the risk exposure from 2020.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 11. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Agency has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Increased support to ongoing cases, security of PPE, and reduced travel
- Experienced temporary declines in the number of investigations and assessments
- Closure of facilities to the public
- Mandatory working from home requirements for those able to do so

The Agency received government funding related COVID-19 relief in the amount of \$169,599 to address additional costs incurred as a result of the pandemic. This is recorded in the Statement of Operations as Province of Ontario revenue, expense recoveries and non-retainable revenue in the amounts of \$98,410, \$45,989 and \$25,200, respectively.

The Agency continues to respond to the pandemic and plan for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues as the Agency has access to sufficient financial resources to sustain operations in the coming year. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Schedule A  
Externally Restricted Funds - Statement of Financial Position

March 31, 2021, with comparative information for 2020

	Futures Fund	Enrichment Fund	OCBE Fund	Out of Home Respite	2021 Total	2020 Total
<b>Assets</b>						
<b>Current assets:</b>						
Cash	\$ 123,819	\$ 150,877	\$ 291,453	\$ -	\$ 566,149	\$ 541,908
Accounts receivable	-	-	-	-	-	-
Interfund	-	-	-	-	-	2,500
Due from operating	280	2,209	6,853	90,747	100,089	96,558
	\$ 124,099	\$ 153,086	\$ 298,306	\$ 90,747	\$ 666,238	\$ 640,966
<b>Liabilities and Fund Balances</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	\$ 50,385	\$ -	\$ 221,651	\$ -	\$ 272,036	\$ 281,595
Funds held in trust	-	-	53,443	-	53,443	68,711
	50,385	-	275,094	-	325,479	350,306
<b>Fund balances:</b>						
Externally restricted	73,714	153,086	23,212	90,747	340,759	290,660
	\$ 124,099	\$ 153,086	\$ 298,306	\$ 90,747	\$ 666,238	\$ 640,966

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Schedule B

Externally Restricted Funds - Statement of Operations and Changes in Fund Balances

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

	Futures Fund	Enrichment Fund	OCBE Fund	Out of Home Respite	2021 Total	2020 Total
<b>Revenue:</b>						
Provincial funding	\$ -	\$ -	\$ 119,560	\$ -	\$ 119,560	\$ 139,320
Expense recoveries	19,906	-	-	20,000	39,906	115,053
Non-retainable revenue	1,067	913	2,307	-	4,287	13,285
Donations	7,410	210,983	-	-	218,393	148,725
	28,383	211,896	121,867	20,000	382,146	416,383
<b>Expenses:</b>						
Salaries	-	-	-	12,156	12,156	57,940
Benefits	-	-	-	895	895	8,632
Travel	-	-	-	-	-	1,199
Training and recruitment	-	-	-	-	-	293
Program expenses	-	8,137	-	-	8,137	3,123
Professional services client	-	-	-	16,009	16,009	15,401
Client's personal needs	-	34,810	98,676	44	133,530	302,722
Financial assistance	63,151	50,370	-	-	113,521	13,880
Promotion and publicity	-	40,651	-	-	40,651	36,684
Office administration	(50)	7,198	-	-	7,148	2,079
Miscellaneous	-	-	-	-	-	129
	63,101	141,166	98,676	29,104	332,047	442,082
Excess of revenue over expenses (expenses over revenue)	(34,718)	70,730	23,191	(9,104)	50,099	(25,699)
Fund balances, beginning of year	108,432	82,356	21	99,851	290,660	316,359
Fund balances, end of year	\$ 73,714	\$ 153,086	\$ 23,212	\$ 90,747	\$ 340,759	\$ 290,660

# FAMILY AND CHILDREN'S SERVICES OF FRONTENAC, LENNOX AND ADDINGTON

Schedule C

Statement of Transfer Payment Accounts

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

	SCS-Children Serv. Coord Case Mgmt Family Support Program	BPS-Other Children's Services Family Support Program	Educational Liaison Funding	C&FI Operating Non- Residential - Prep for Indep	CSN Individual Placements Funding - CWSCN	DS Support Group Living Residence	Mental Health	COVID-19	Child Welfare	2021 Total	2020 Total
<b>Revenue:</b>											
Provincial funding	\$ 129,578	\$ 740	\$ 79,278	\$ 74,698	\$ 943,747	\$ 307,266	\$ 38,522	\$ 98,410	\$ 25,381,759	\$ 27,053,998	\$ 27,405,418
Expense recoveries	63,314	-	-	-	-	-	-	45,989	636,606	745,909	821,863
Non-retainable revenue	-	-	-	-	-	-	-	25,200	820,075	845,275	958,095
	192,892	740	79,278	74,698	943,747	307,266	38,522	169,599	26,838,440	28,645,182	29,185,376
<b>Expenses:</b>											
Salaries	138,463	740	-	58,125	-	-	-	7,599	12,646,679	12,851,606	13,126,551
Benefits	40,977	-	-	16,573	-	-	-	-	3,635,472	3,693,022	3,774,089
Travel	1,588	-	-	-	-	174	-	82,656	175,717	260,135	804,075
Training and recruitment	-	-	-	-	-	-	-	15,383	253,200	268,583	278,463
Building occupancy	2,835	-	-	-	-	-	-	14,470	1,380,789	1,398,094	1,447,751
Professional services - non-client	6,009	-	-	-	-	-	-	7,484	157,277	170,770	223,382
Program expenses	-	-	-	-	-	-	195	-	17,241	17,435	13,052
Boarding rate payments	-	-	-	-	-	-	6,024	165,603	3,293,446	3,465,073	3,382,631
Professional services - client	-	-	51,895	-	943,747	306,413	7,928	13,222	154,529	1,477,733	1,509,599
Client's personal needs	-	-	27,383	-	-	680	4,664	38,145	463,434	534,306	615,423
Financial assistance	-	-	-	-	-	-	19,712	1,755	1,229,233	1,250,700	1,298,206
Health and related	-	-	-	-	-	-	-	-	125,789	125,789	179,406
Promotion and publicity	-	-	-	-	-	-	-	1,528	22,359	23,887	30,865
Office administration	2,217	-	-	-	-	-	-	48,168	135,096	185,481	182,814
Miscellaneous	55	-	-	-	-	-	-	4,865	450,714	455,634	364,423
Technology	748	-	-	-	-	-	-	5,122	328,681	334,552	454,016
	192,892	740	79,278	74,698	943,747	307,266	38,522	406,000	24,469,656	26,512,800	27,684,746
Excess of revenue over expenses (expenses over revenue)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (236,401)	\$ 2,368,784	\$ 2,132,382	\$ 1,500,630