

Financial Statements of

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

Year ended March 31, 2020

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

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Year ended March 31, 2020

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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, 2020
- 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, 2020, and its results of operations, 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 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 16, 2020

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

## Statement of Financial Position

March 31, 2020, with comparative information for 2019

	Operating Fund	Externally Restricted Funds	Capital Fund	2020 Total	2019 Total
<b>Assets</b>					
<b>Current assets:</b>					
Cash	\$ 452,131	\$ 541,908	\$ -	\$ 994,039	\$ 1,872,426
Accounts receivable	487,202	-	-	487,202	367,052
Prepaid expenses	208,274	2,500	-	210,774	206,618
Due from Province of Ontario	261,189	-	-	261,189	51,605
Due from externally restricted fund	-	-	-	-	103,863
Due from capital fund	491,843	-	-	491,843	438,079
Due from operating fund	-	96,558	-	96,558	-
	1,900,639	640,966	-	2,541,605	3,039,643
Capital assets (note 2)	-	-	27,782,388	27,782,388	28,609,833
	\$ 1,900,639	\$ 640,966	\$ 27,782,388	\$ 30,323,993	\$ 31,649,476

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

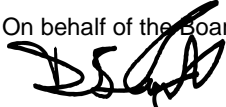
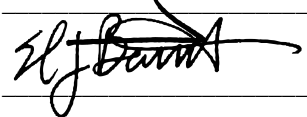
Statement of Financial Position (continued)

March 31, 2020, with comparative information for 2019

	Operating Fund	Externally Restricted Funds	Capital Fund	2020 Total	2019 Total
<b>Liabilities and Fund Balances (Deficiency)</b>					
<b>Current liabilities:</b>					
Bank overdraft (note 3)	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	1,730,323	281,595	-	2,011,918	1,993,366
Deferred revenue	9,533	-	-	9,533	6,367
Due to the Province of Ontario	63,914	-	-	63,914	245,280
Funds held in trust (note 4)	7,304	68,711	-	76,015	67,902
Due to externally restricted fund	96,558	-	-	96,558	-
Due to operating fund	-	-	491,843	491,843	541,942
Current portion of long-term debt (note 5)	-	-	675,645	675,645	678,482
	1,907,632	350,306	1,167,488	3,425,426	3,533,339
Long-term debt (note 5)	-	-	22,434,221	22,434,221	24,197,786
Deferred capital contributions (note 7)	-	-	2,959,861	2,959,861	3,039,959
	-	-	25,394,082	25,394,082	27,237,745
<b>Fund balances (deficiency):</b>					
Unrestricted deficit	(6,993)	-	-	(6,993)	(776,398)
Externally restricted	-	290,660	-	290,660	316,359
Capital	-	-	1,220,818	1,220,818	1,338,431
	(6,993)	290,660	1,220,818	1,504,485	878,392
Economic dependence (note 8)					
Contingent liabilities (note 9)					
Subsequent event (note 11)					
	\$ 1,900,639	\$ 640,966	\$ 27,782,388	\$ 30,323,993	\$ 31,649,476

See accompanying notes to financial statements.

On behalf of the Board:

 _____	Director
 _____	Director

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

## Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	Operating Fund	Externally Restricted Funds	Capital Funds	2020 Total	2019 Total
<b>Revenue:</b>					
Province of Ontario	\$ 27,405,418	\$ 139,320	\$ -	\$ 27,544,738	\$ 28,573,308
<b>Recoveries and income:</b>					
Expense recoveries	821,863	115,053	-	936,916	940,745
Non-retainable revenue	958,095	13,285	-	971,380	1,184,733
Donations	-	148,725	-	148,725	184,603
Amortization of deferred capital contributions	-	-	80,098	80,098	80,098
	29,185,376	416,383	80,098	29,681,857	30,963,487
<b>Expenses:</b>					
Salaries	13,126,551	57,940	-	13,184,491	13,496,406
Employee benefits	3,774,089	8,631	-	3,782,720	3,875,243
Transportation related to agency service	804,075	1,199	-	805,274	720,479
Training and recruitment	278,463	293	-	278,756	233,497
Building occupancy	1,447,751	-	-	1,447,751	1,405,577
Professional services - non-client	223,382	-	-	223,382	137,006
Program costs	13,052	3,123	-	16,175	11,705
Boarding program	3,382,631	-	-	3,382,631	4,433,109
Professional services - client	1,509,599	15,401	-	1,525,000	1,687,269
Client personal needs	615,423	302,723	-	918,145	986,055
Client health and related expenses	179,406	-	-	179,406	182,269
Financial assistance	1,298,206	13,880	-	1,312,087	1,313,626
Promotion and publicity	30,865	36,684	-	67,549	69,550
Office administration	182,814	2,079	-	184,893	157,294
Miscellaneous	364,423	129	-	364,552	325,634
Technology	454,016	-	-	454,016	400,001
Amortization of capital assets	-	-	928,936	928,936	924,293
	27,684,746	442,082	928,936	29,055,764	30,359,013
<b>Excess of revenue over expenses (expenses over revenue)</b>					
	\$ 1,500,630	\$ (25,699)	\$ (848,838)	\$ 626,093	\$ 604,474

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, 2020, with comparative information for 2019

	Unrestricted Fund	Externally Restricted Funds	Capital Fund	2020 Total	2019 Total
Balance (deficiency), beginning of year	\$ (776,398)	\$ 316,359	\$ 1,338,431	\$ 878,392	\$ 273,918
Excess revenue over expenses (expenses over revenue)	1,500,630	(25,699)	(848,838)	626,093	604,474
Interfund transfers	(731,225)	–	731,225	–	–
Balance (deficiency), end of year	\$ (6,993)	\$ 290,660	\$ 1,220,818	\$ 1,504,485	\$ 878,392

See accompanying notes to financial statements.

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

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 626,093	\$ 604,474
Items not involving cash:		
Amortization of capital assets	928,936	924,293
Amortization of deferred capital contributions	(80,098)	(80,098)
Changes in non-cash operating working capital:		
Accounts receivable*	(120,151)	63,283
Prepaid expenses	(4,156)	13,688
Due from Province of Ontario	(209,584)	94,733
Deferred revenue	3,166	4,892
Accounts payable and accrued liabilities	18,552	(38,310)
Due to the Province of Ontario	(181,366)	45,170
Funds held in trust	8,114	(87,480)
	989,506	1,544,645
Financing:		
Repayment of long-term debt	(1,766,402)	(683,571)
Investments:		
Purchase of capital assets	(101,491)	(361,325)
Increase (decrease) in cash	(878,387)	499,749
Cash, beginning of year	1,872,426	1,372,677
Cash, end of year	\$ 994,039	\$ 1,872,426

\*In fiscal 2019, accounts receivable is shown net of non-cash transfers to capital assets, which is comprised of capitalized buildings costs of \$459,496

See accompanying notes to financial statements.

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

Notes to Financial Statements

Year ended March 31, 2020

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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 Corporation 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, 2020

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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 construction-in-progress, is not recorded until construction 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, 2020

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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, 2020

## 2. Capital assets:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 806,242	\$ –	\$ 806,242	\$ 806,242
Buildings	31,187,392	5,067,085	26,120,307	26,730,684
Land improvements	237,916	158,133	79,783	100,719
Furniture and equipment	2,297,918	1,842,838	455,080	669,339
Telephone and information systems	1,174,453	1,169,163	5,290	10,206
Computer equipment	1,800,966	1,544,428	256,538	205,435
Licenses and software	522,620	509,042	13,578	20,865
Vehicles	240,185	194,615	45,570	66,343
	<b>\$ 38,267,692</b>	<b>\$ 10,485,304</b>	<b>\$ 27,782,388</b>	<b>\$ 28,609,833</b>

Cost and accumulated amortization at March 31, 2019 amounted to \$38,166,201 and \$9,556,368, 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, 2020, there was \$Nil (2019 - \$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 and Youth Services. As at March 31, 2020, the amount of the RESP Funds included in the total is \$67,903 (2019 - \$60,109).

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

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 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:

	2020	2019
Total Contributions open in RESP's held with Royal Bank, end of year	\$ 1,048,476	\$ 1,057,619

## 5. Long-term debt:

	2020	2019
Long-term debt payable in monthly installments of \$24,774 including principal and interest at 2.70% per annum, secured by the administrative building, due July 4, 2021	\$ 4,824,261	\$ 4,989,229
Long-term debt payable in monthly installments of \$101,203 including principal and interest at 3.593% per annum, secured by the administrative building, due October 18, 2023	18,285,605	19,887,039
	23,109,866	24,876,268
Less current portion	675,645	678,482
	\$ 22,434,221	\$ 24,197,786

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.

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

Notes to Financial Statements (continued)

Year ended March 31, 2020

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

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

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2021	\$ 5,329,661
2022	523,722
2023	542,709
2024	16,713,774
	<hr/>
	\$ 23,109,866

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Interest on long-term debt in the amount of \$829,253 (2019 - \$794,531) 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, 2019. The results of this valuation disclosed total actuarial liabilities of \$107,687 million in respect of defined benefit obligations with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 million. Because 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 \$1,249,270 (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, 2020

## 7. Deferred capital contributions:

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

	2020	2019
Unamortized capital contributions used to purchase assets	\$ 2,959,861	\$ 3,039,959

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.

	2020	2019
Balance, beginning of year	\$ 3,039,959	\$ 3,120,057
Less amounts amortized to revenue	(80,098)	(80,098)
Balance, end of year	\$ 2,959,861	\$ 3,039,959

## 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, 2020, 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, 2020

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## 9. Contingent liabilities:

### (c) Letter of credit:

The Agency has an outstanding letter of credit of \$52,712 (2019 - \$52,712) to 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 2019.

### (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, 2020 is \$Nil (2019 - \$Nil). There has been no change to the risk exposure from 2019.

### (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 2019.

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

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 11. Subsequent event:

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

As a result of these measures, the Agency continues to experience increases in operating costs in the subsequent period.

The Ministry has allowed the Agency to redirect unspent funds from certain programs towards COVID-related costs incurred during the year ended March 31, 2020, and has also committed to providing additional funding for COVID-related operating and capital costs in the subsequent period.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets and liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

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

Schedule A  
Externally Restricted Funds - Statement of Financial Position

March 31, 2020, with comparative information for 2019

	Futures Fund	Enrichment Fund	OCBE Fund	Out of Home Respite	2020 Total	2019 Total
<b>Assets</b>						
<b>Current assets:</b>						
Cash	\$ 165,201	\$ 79,694	\$ 297,013	\$ -	\$ 541,908	\$ 737,920
Accounts receivable	-	-	-	-	-	-
Interfund	2,500	-	-	-	2,500	-
Due from operating	(840)	2,751	(5,205)	99,852	96,558	-
	\$ 166,861	\$ 82,445	\$ 291,808	\$ 99,852	\$ 640,966	\$ 737,920
<b>Liabilities and Fund Balances</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	\$ 58,431	\$ 88	\$ 223,076	\$ -	\$ 281,595	\$ 257,100
Funds held in trust	-	-	68,711	-	68,711	60,598
Due to operating	-	-	-	-	-	103,863
	58,431	88	291,787	-	350,306	421,561
<b>Fund balances:</b>						
Externally restricted	108,430	82,357	21	99,852	290,660	316,359
	\$ 166,861	\$ 82,445	\$ 291,808	\$ 99,852	\$ 640,966	\$ 737,920

# 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, 2020, with comparative information for 2019

	Futures Fund	Enrichment Fund	OCBE Fund	Out of Home Respite	2020 Total	2019 Total
<b>Revenue:</b>						
Provincial funding	\$ –	\$ –	\$ 139,320	\$ –	\$ 139,320	\$ 170,802
Expense recoveries	21,161	3,430	–	90,462	115,053	74,216
Non-retainable revenue	3,811	2,460	7,014	–	13,285	10,343
Donations	31,714	117,011	–	–	148,725	184,603
	56,686	122,901	146,334	90,462	416,383	439,964
<b>Expenses:</b>						
Salaries	12,478	11,016	–	34,446	57,940	59,392
Benefits	2,967	2,830	–	2,835	8,632	8,931
Travel	58	–	–	1,141	1,199	929
Training and recruitment	–	293	–	–	293	309
Professional services non-client	–	–	–	–	–	1,834
Program expenses	–	3,123	–	–	3,123	–
Professional services client	–	–	–	15,401	15,401	8,705
Client's personal needs	81,100	67,367	148,550	5,705	302,722	281,177
Financial assistance	–	13,880	–	–	13,880	15,208
Promotion and publicity	3	36,681	–	–	36,684	34,554
Office administration	15	2,064	–	–	2,079	1,409
Miscellaneous	51	78	–	–	129	166
	96,672	137,332	148,550	59,528	442,082	412,614
Excess of revenue over expenses (expenses over revenue)	(39,986)	(14,431)	(2,216)	30,934	(25,699)	27,350
Fund balances, beginning of year	148,414	96,790	2,238	68,917	316,359	289,009
Fund balances, end of year	\$ 108,428	\$ 82,359	\$ 22	\$ 99,851	\$ 290,660	\$ 316,359

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

Schedule C

Statement of Transfer Payment Accounts

Year ended March 31, 2020, with comparative information for 2019

	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	Partner Facility Renewal - Capital	DS Support Group Living Residence	COVID-19	Child Welfare	2020 Total	2019 Total
<b>Revenue:</b>											
Provincial funding	\$ 129,578	\$ 740	\$ 61,202	\$ 74,698	\$ 977,617	\$ 5,152	\$ 297,281	\$ -	\$ 25,859,150	\$ 27,405,418	\$ 28,402,506
Expense recoveries	66,480	-	-	-	-	-	-	-	755,383	821,863	866,529
Non-retainable revenue	-	-	-	-	-	-	-	-	958,095	958,095	1,174,390
	196,058	740	61,202	74,698	977,617	5,152	297,281	-	27,572,628	29,185,376	30,443,425
<b>Expenses:</b>											
Salaries	140,130	740	-	58,358	-	-	-	-	12,927,323	13,126,551	13,437,014
Benefits	38,218	-	-	16,340	-	-	-	-	3,719,531	3,774,089	3,866,312
Travel	5,947	-	-	-	-	-	1,387	148	796,593	804,075	719,550
Training and recruitment	-	-	-	-	-	-	-	80	278,383	278,463	233,188
Building occupancy	2,835	-	-	-	-	-	-	-	1,444,916	1,447,751	1,405,577
Professional services - non-client	6,009	-	-	-	-	-	-	-	217,373	223,382	135,172
Program expenses	-	-	-	-	-	-	-	-	13,052	13,052	11,705
Boarding rate payments	-	-	-	-	-	-	-	9,256	3,373,375	3,382,631	4,433,109
Professional services - client	-	-	42,007	-	977,617	-	295,534	-	194,441	1,509,599	1,678,564
Client's personal needs	-	-	19,195	-	-	-	360	4,921	590,947	615,423	704,878
Financial assistance	-	-	-	-	-	-	-	-	1,298,206	1,298,206	1,298,418
Health and related	-	-	-	-	-	-	-	-	179,406	179,406	182,269
Promotion and publicity	-	-	-	-	-	-	-	-	30,865	30,865	34,996
Office administration	2,108	-	-	-	-	-	-	2,184	178,522	182,814	155,885
Miscellaneous	63	-	-	-	-	-	-	-	364,360	364,423	325,468
Technology	748	-	-	-	-	-	-	13,927	439,341	454,016	400,001
	196,058	740	61,202	74,698	977,617	-	297,281	30,516	26,046,634	27,684,746	29,022,106
<b>Excess of revenue over expenses (expenses over revenue)</b>											
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,152	\$ -	\$ (30,516)	\$ 1,525,994	\$ 1,500,630	\$ 1,421,319