

Family and Children's Services of Renfrew County
Financial Statements
March 31, 2021

Family and Children's Services of Renfrew County

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For the year ended March 31, 2021

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Management's Responsibility

To the Board of Directors of Family and Children's Services of Renfrew County:

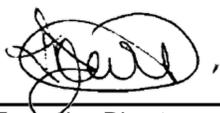
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of Family and Children's Services of Renfrew County (the "Agency"). The Board is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Agency's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

June 15, 2021



Executive Director

Independent Auditor's Report

To the Board of Directors of Family and Children's Services of Renfrew County:

Opinion

We have audited the financial statements of Family and Children's Services of Renfrew County (the "Agency"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2021, and the results of its operations and its cash flows 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency 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.

Other Information

Management is responsible for the other information. The other information comprises the financial information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these 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 Agency'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 Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Agency 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.

We 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.

Ottawa, Ontario

June 15, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Family and Children's Services of Renfrew County Statement of Financial Position

As at March 31, 2021

	Operating Fund	Trust Fund	Capital Fund	2021	2020
Assets					
Current					
Cash	952,622	445,648	-	1,398,270	1,919,909
Accounts receivable (Note 3)	436,259	-	-	436,259	356,444
Prepaid expenses	85,115	-	-	85,115	67,821
Due from the Province of Ontario (Note 4)	278,364	-	-	278,364	-
	1,752,360	445,648	-	2,198,008	2,344,174
Capital assets (Note 5)	-	-	2,977,801	2,977,801	3,081,847
	1,752,360	445,648	2,977,801	5,175,809	5,426,021
Liabilities					
Current					
Accounts payable and accruals (Note 7)	2,364,321	20,314	-	2,384,635	1,822,030
Interfund balances	7,255	(7,255)	-	-	-
Due to the Province of Ontario (Note 4)	-	-	-	-	831,392
Current portion of long-term debt (Note 8)	-	-	129,000	129,000	129,000
	2,371,576	13,059	129,000	2,513,635	2,782,422
Long-term debt (Note 8)	-	-	852,045	852,045	981,045
Funds held in trust (Note 9)	-	303,470	-	303,470	295,633
	2,371,576	316,529	981,045	3,669,150	4,059,100
Net Assets					
Invested in capital assets	-	-	1,673,356	1,673,356	1,648,402
Externally restricted	-	-	323,400	323,400	323,400
Internally restricted	-	129,119	-	129,119	32,715
Unrestricted	(619,216)	-	-	(619,216)	(637,596)
	(619,216)	129,119	1,996,756	1,506,659	1,366,921
	1,752,360	445,648	2,977,801	5,175,809	5,426,021

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Family and Children's Services of Renfrew County Statement of Operations

For the year ended March 31, 2021

	Operating Fund	Trust Fund	Capital Fund	2021	2020
Revenue					
Government funding					
Ministry of Children, Community and Social Service (Note 10)	23,900,291	-	91,661	23,991,952	23,214,008
Ministry of Auditor General	148,663	-	-	148,663	145,007
Renfrew County	308,582	-	-	308,582	348,290
Rental income	38,371	473,575	-	511,946	494,203
Other revenue	382,785	98,857	-	481,642	735,143
Children's special allowance	298,883	-	-	298,883	376,079
Fees collected	77,910	-	-	77,910	112,687
Interest income	28,695	-	-	28,695	64,032
	25,184,180	572,432	91,661	25,848,273	25,489,449
Expenses					
Administrative expense (recovery)	(60,995)	9,063	-	(51,932)	48,619
Amortization	-	-	211,467	211,467	207,078
Board rate	2,369,459	-	-	2,369,459	2,531,016
Building occupancy	731,304	233,312	-	964,616	840,787
Clients' personal needs	135,857	-	-	135,857	200,656
Employee benefits	2,736,379	-	-	2,736,379	2,619,908
Health related and financial assistance	637,606	-	-	637,606	699,941
Insurance	89,947	-	-	89,947	75,164
Interest on long-term debt	-	-	18,480	18,480	35,457
Membership fees	88,550	-	-	88,550	109,711
Office administration and promotion	168,393	15	-	168,408	200,811
Program costs	6,491,952	70,398	-	6,562,350	6,046,664
Purchased professional services	166,188	-	-	166,188	162,880
Purchased services, case related	42,742	-	-	42,742	48,234
Salaries and benefits	10,997,026	-	-	10,997,026	10,577,145
Technology	132,310	-	-	132,310	84,016
Training and recruitment	134,884	-	-	134,884	47,798
Travel	304,198	-	-	304,198	623,912
	25,165,800	312,788	229,947	25,708,535	25,159,797
Excess (deficiency) of revenue over expenses	18,380	259,644	(138,286)	139,738	329,652

The accompanying notes are an integral part of these financial statements

Family and Children's Services of Renfrew County
Statement of Changes in Net Assets

For the year ended March 31, 2021

	<i>Operating Fund</i>	<i>Trust Fund</i>	<i>Capital Fund</i>	2021	<i>2020</i>
Net assets, beginning of year	(637,596)	32,715	1,971,802	1,366,921	1,037,269
Excess (deficiency) of revenue over expenses	18,380	259,644	(138,286)	139,738	329,652
	(619,216)	292,359	1,833,516	1,506,659	1,366,921
Payments of long-term debt	-	(147,480)	147,480	-	-
Capital asset purchases	-	(15,760)	15,760	-	-
Net assets, end of year	(619,216)	129,119	1,996,756	1,506,659	1,366,921

The accompanying notes are an integral part of these financial statements

Family and Children's Services of Renfrew County
Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	139,738	329,652
Amortization	211,467	207,078
	351,205	536,730
Changes in working capital accounts		
Accounts receivable	(79,815)	(85,600)
Prepaid expenses	(17,294)	167
Accounts payable and accruals	562,605	(493,672)
Due from the Province of Ontario	(1,109,756)	491,531
Funds held in trust	7,837	1,736
	(285,218)	450,892
Financing		
Repayment of long-term debt	(129,000)	(140,457)
Capital activities		
Purchase of capital assets	(107,421)	(276,506)
Increase (decrease) in cash resources	(521,639)	33,929
Cash resources, beginning of year	1,919,909	1,885,980
Cash resources, end of year	1,398,270	1,919,909
Cash resources are composed of:		
Cash	952,622	1,550,524
Restricted cash	445,648	369,385
	1,398,270	1,919,909

The accompanying notes are an integral part of these financial statements

Family and Children's Services of Renfrew County

Notes to the Financial Statements

For the year ended March 31, 2021

1. Nature of the organization

Family and Children's Services of Renfrew County (the "Agency") is a multi-service organization serving children, adults, and families of Renfrew County.

The Agency's mission is "Helping families and communities in Renfrew County protect and support the development and well being of children, youth and adults through integrated services, prevention and social inclusion." The Agency receives funding from the Ministry of Children and Youth Services, Ministry of Community and Social Services, Ministry of the Attorney General, and Ministry of Education, as well as grants, donations, and other revenue sources. Services include Child Welfare under the Child and Family Services Act, Developmental Services, Family Visitation and Exchange, and Ontario Early Years, among others.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. The agency uses the accrual basis of accounting. The significant accounting policies used are as follows:

Fund accounting

The Agency follows the restricted fund method of accounting for contributions, and maintains three funds: the Operating Fund, Trust Fund and Capital Fund.

The Operating Fund reports the Agency's assets, liabilities, revenues and expenses related to program delivery and administrative activities.

The Capital Fund reports the Agency's assets, liabilities, revenue and expenses related to the Agency's capital assets.

The Trust Fund reports the Agency's assets, liabilities, revenue and expenses related to restricted contributions for specific activities.

Revenue recognition

The Agency uses the restricted fund method of accounting for contributions. Restricted contributions related to Trust Fund activities are recognized as revenue in the related Trust Fund in the year in which the contributions are received. All other restricted contributions are recognized as revenue of the Operating Fund when the related expenses are incurred because there is not an appropriate restricted fund.

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.

Unrestricted investment income is recognized as revenue in the Operating Fund when earned.

Fees collected are recognized when the good or service is provided. Rental revenue is recognized as revenue of the Trust Fund over the term of the agreement.

Financial instruments

The Agency recognizes its financial instruments when the Agency becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Agency subsequently measures its financial assets and financial liabilities at amortized cost (including any impairment in the case of financial assets).

Financial assets measured at amortized cost include cash, accounts receivables (excluding harmonized sales tax recoverable) and due from Province of Ontario.

Financial liabilities measured at amortized cost include accounts payable and accruals (excluding government remittances payable), due to Province of Ontario, funds held in trust and long-term debt.

With respect to financial assets measured at amortized cost, the Agency assesses whether there are any indicators of impairment. When there is an indication of impairment, and if the Agency determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

Family and Children's Services of Renfrew County

Notes to the Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies (Continued from previous page)

Restricted cash

All cash held within the trust fund is restricted.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition. 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.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	40 years
Equipment	10 years
Computers	3 years

Contributed services

Volunteers contribute many hours to assist in carrying out service delivery activities. Due to the difficulty in determining the fair value of these services, contributed services are not recognized in the financial statements.

Allocation of expenses

The Agency engages in multiple programs in order to serve children, adults, and families of Renfrew County. The costs of each program include the costs of direct services and other expenses that are directly related to providing the program. The Agency also incurs a number of general support expenses that are common to the administration of the Agency and each of its programs.

The Agency allocates certain of its general support expenses within the Operating Fund by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. The following expenses are allocated on the following bases:

Information technology and general office administration	Allocated on the proportional basis of direct salaries and benefits.
Finance and executive office costs	Allocated on the basis of budgeted expenditures for each program.

Employee future benefits

The Agency participates in the Ontario Municipal Employees Retirement Fund (OMERS), which is a defined benefit multiple-employer 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.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Family and Children's Services of Renfrew County Notes to the Financial Statements

For the year ended March 31, 2021

3. Accounts receivable

	2021	2020
Harmonized sales tax recoverable	216,024	243,759
Other accounts receivable	220,235	112,685
	436,259	356,444

4. Due from (to) the Province of Ontario

Amounts due from (to) the Province of Ontario represent current and prior year surpluses or deficits that are due to or from the Ministry of Children, Community and Social Services. Surpluses in the Child Welfare Fund program of the Operating Fund are payable to the Province of Ontario for the Balanced Budget Fund (Note 15) and available to be accessed in future years to cover any deficits. Deficits in the Child Welfare Fund would therefore constitute a receivable from the Province of Ontario. Any surplus in the independent programs is owed to the Province of Ontario and cannot be accessed in the future to cover any deficits. As at March 31, the amount due from (to) the Province of Ontario consists of the following:

	2021	2020
Due from (to) the Province of Ontario, beginning of year	(831,392)	(339,860)
Recovered by (provided by) the Ministry during the year	828,462	(213,273)
Due from (to) balanced budget fund for the year	400,339	(233,539)
Pandemic pay recoverable	120,316	-
Due from policy priority fund	44,375	-
Non-recoverable amount due to the Ministry for the year	(283,736)	(44,720)
	278,364	(831,392)
Due from the Province of Ontario, end of year	278,364	(831,392)

5. Capital assets

	2021	2020		
	Cost	Accumulated amortization	Net book value	Net book value
Land	369,546	-	369,546	369,546
Buildings	4,298,481	1,925,108	2,373,373	2,465,076
Equipment	1,109,008	948,713	160,295	213,883
Computers	228,681	154,094	74,587	33,342
	6,005,716	3,027,915	2,977,801	3,081,847

Cost and accumulated amortization at March 31, 2020 amounted to \$5,898,294 and \$2,816,447, respectively.

6. Credit facilities

At March 31, 2021, the Agency had access to an authorized line of credit totaling \$1,300,000 (2020 - \$1,300,000), bearing interest at prime rate, of which \$Nil (2020 - \$Nil) was drawn at year end. This demand credit facility is secured by a general security agreement on the property located at 77 Mary Street, Pembroke, Ontario.

Family and Children's Services of Renfrew County Notes to the Financial Statements

For the year ended March 31, 2021

7. Accounts payable and accruals

	2021	2020
Trade accounts payable	1,444,538	976,962
Accrued vacation payable	609,978	610,442
Accrued liabilities	119,057	113,972
Accrued wages payable	127,698	81,031
Grants payable	82,156	36,568
Government remittances payable	1,208	3,055
	2,384,635	1,822,030

8. Long-term debt

	2021	2020
Mortgage payable in monthly installments of \$3,528 plus interest at the bank's prime rate less 0.5%, due March 2023, secured by the Isabella Street building, having a net book value of \$536,762 (2020 - \$544,380)	78,267	120,600
Mortgage payable in monthly installments of \$7,222 plus interest at the bank's prime rate less 0.5%, due March 2031, secured by the Argyle Street building, having a net book value of \$1,147,054 (2020 - \$1,183,229)	902,778	989,445
	981,045	1,110,045
Less: Current portion	129,000	129,000
	852,045	981,045

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment are estimated as follows:

2022	129,000
2023	122,600
2024	86,667
2025	86,667
2026	86,667
Thereafter	469,444
Total	981,045

Interest on long-term debt amounted to \$18,480 (2020 – \$35,230).

Long-term debt is subject to certain financial covenants with respect to a debt service coverage ratio. As at March 31, 2021, the Agency is in compliance with all such covenants. It is management's opinion that the Agency is likely to remain in compliance with all long-term debt covenants throughout the next twelve months subsequent to March 31, 2021.

9. Funds held in trust

The Agency holds in the trust fund account a total of \$158,338 (2020 - \$146,864) which will be deposited into registered education savings plans ("RESPs") for children in care of the Agency, according to Ministry Policy Directive CW002-15. In addition, a total of \$929,224 (2020 - \$917,823) is held in RESPs at RBC, where a total of 147 (2020 - 156) RESP plans have been opened for individual children currently or previously in care of the Agency.

The Agency also holds in the trust fund account a total of \$145,132 (2020 - \$148,769) relating to the Ontario Child Benefit Equivalent ("OCBE") to be distributed to eligible youth in care according to Ministry Policy Directive CW002-18.

Family and Children's Services of Renfrew County

Notes to the Financial Statements

For the year ended March 31, 2021

10. Ministry of Children, Community and Social Service funding reconciliation

	2021	2020
Ministry of Children, Community and Social Services funding per confirmation	22,954,608	23,705,539
Funding receipts (adjustments) confirmed relating to prior years	828,462	(213,272)
Accrued deficit receivable (surplus repayable) - Child Welfare Fund	400,339	(233,539)
Accrued surplus repayable - Developmental Services	(283,695)	(44,720)
Accrued surplus repayable - Independent Living	(42)	-
Pandemic pay recoverable	120,316	-
Policy priority fund receivable	44,375	-
Expense reimbursement - OHIP and pandemic pay	(72,411)	-
	23,991,952	23,214,008

11. Multi-employer pension plan

The Agency makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS") on behalf of its employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the individual based on length of service and rate of pay. As sufficient information to follow the standards on defined pension plan is not available, the plan is accounted for as a defined contribution plan. Contributions to OMERS for the year amounted to \$1,067,837 (2020 - \$946,210). OMERS is a multi-employer plan, therefore, any pension plan surplus or deficit is the joint responsibility of the participating organizations and their employees. As a result, the Agency does not recognize any share of the OMERS pension fund surplus or deficit. The last available report for the OMERS plan was at December 31, 2020. At that time, the plan reported an actuarial deficit of \$3.2 billion (2019 - deficit of \$3.4 billion), based on an accrued pension obligation of \$113.1 billion (2019 - \$107.7 billion) and actuarial assets of \$109.8 billion (2019 - \$104.2 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

12. Balanced budget fund and future access to surpluses

In 2014, the Ministry of Children and Youth Services (MCYS) announced the creation of a Balanced Budget Fund to support Children's Aid Societies in meeting the newly announced balanced budget requirement set out in Regulation 70 and to proactively manage the risks associated with a multi-year budget planning process. The Balanced Budget Fund may be added to and accessed on a yearly basis, in an amount up to each Society's accumulated surplus that has been returned to the Ministry following the implementation of the 2013 - 2014 funding model. To access these funds in a future year, the Agency must:

- 1) Have generated a prior year surplus recovered in or after 2013 - 2014; and
- 2) Require additional funding in a subsequent year in an amount up to its total accumulated prior year surplus to balance its budget.

Commencing with the March 31, 2021 fiscal year, 50% of the operating surplus generated will be contributed to the ministry-managed Balanced Budget Fund and the remaining 50% will be contributed to the Agency's own Balanced Budget Fund.

Surpluses generated can be accessed for three fiscal years. Surpluses remaining at March 31, 2021 expire as follows:
 - \$233,539 - accumulated at March 31, 2020, expiring March 31, 2023

Surpluses have been accumulated and applied in the following fiscal years:

	2021	2020	2019	2018	2017
Balance remaining, beginning of year	690,189	456,650	1,273,350	607,878	-
Surplus accumulated	-	233,539	-	665,472	607,878
Surplus applied to 2016 deficit	-	-	(259,362)	-	-
Surplus applied to 2019 deficit	-	-	(557,338)	-	-
Surplus applied to 2021 deficit	(400,339)	-	-	-	-
Surplus expiring	(56,311)	-	-	-	-
	233,539	690,189	456,650	1,273,350	607,878

Family and Children's Services of Renfrew County

Notes to the Financial Statements

For the year ended March 31, 2021

13. Economic dependence

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

14. Income taxes

The Agency is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Agency must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

15. Financial instruments

The Agency, as part of its operations, carries a number of financial instruments. It is management's opinion that the Agency is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

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 collectable in an allowance for doubtful accounts. The Agency's allowance for doubtful accounts as at March 31, 2021 is \$Nil (2020 - \$Nil). The carrying amount of the Agency's financial instruments best represents the maximum exposure to credit risk.

A credit concentration exists related to accounts receivable because 72% (2020 - 73%) its accounts receivable are due from the Province of Ontario. However, the Agency believes that there is minimal risk associated with the collection of these amounts.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its long term debt as the payments will vary according to the bank's prime rate. Further details about long-term debt are included in Note 8. There has been no change to the risk exposure from 2020.

Liquidity risk

Liquidity risk is the risk that the Agency will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and long-term debt.

Contractual maturities of long-term debt are disclosed in Note 8.

The Agency manages the liquidity risk by monitoring its operating requirements, access to a line of credit when needed, preparing budgets and cash forecasts to ensure sufficient funds to fulfill obligations. There has been no change to the risk exposure from 2020.

Family and Children's Services of Renfrew County

Notes to the Financial Statements

For the year ended March 31, 2021

16. Significant event

During the previous year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Agency was impacted in the year due to reduced face to face programming and office presence, staff shortages, varied government regulations, and increased demand for family supports, Personal Protective Equipment ("PPE"), cleaning and disinfecting, and technology related costs. During the fiscal year, the Agency incurred the following incremental costs for COVID-19 related expenses:

	2021	2020
	<i>Operating Fund</i>	<i>Operating Fund</i>
Admission prevention		2,564
Cleaning	18,290	-
Continued care and support for youth	44,375	-
Developmental services program costs	95,922	-
EarlyON costs	65	-
Financial assistance	1,617	-
Food and activity bundles	41,107	-
Foster care	6,413	5,000
Independence planning & preparation program costs	510	-
Kumon program costs	436	-
Office, technology, and promotion	3,817	1,335
Out of home respite - CSN	-	173
Personal protective equipment (PPE)	22,239	4,374
Vehicle rental	24,057	-
	258,848	13,446

At this time, it is unknown the extent of the continued impact the COVID-19 outbreak may have on the Agency as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Family and Children's Services of Renfrew County
Schedule 1 - Schedule of Operating Fund Revenue and Expenses by Program
For the year ended March 31, 2021

	Child Welfare		Developmental Services		Early ON		Outreach		Kumon		Safe Shelter		Supervised Access		Other Grants		Total Operating Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue																		
Government Funding	13,124,502	12,751,143	10,775,788	10,432,013	308,582	348,290	-	-	-	-	-	-	148,663	145,007	-	-	24,357,535	23,676,453
Other revenue and recoveries	470,979	711,137	47,890	94,847	-	-	5,376	11,417	79,993	112,687	36,762	23,096	61,102	48,619	124,543	55,299	826,645	1,057,102
	13,595,481	13,462,280	10,823,678	10,526,860	308,582	348,290	5,376	11,417	79,993	112,687	36,762	23,096	209,765	193,626	124,543	55,299	25,184,180	24,733,555
Expenses																		
Salaries	7,954,776	7,379,985	2,704,775	2,820,635	146,516	174,897	-	940	41,652	76,940	21,367	9,681	127,940	114,067	-	-	10,997,026	10,577,145
Program costs	20,898	8,890	6,278,468	5,620,715	13,338	25,410	4,181	10,183	33,128	50,010	13,929	12,271	3,467	-	124,543	55,299	6,491,952	5,782,778
Administrative expense	2,546,127	2,917,955	995,410	973,593	34,480	76,081	1,007	254	-	730	-	-	26,845	22,577	-	-	3,603,869	3,991,190
Employee benefits	2,044,688	1,880,184	620,806	663,638	40,407	42,693	-	40	4,061	6,713	1,466	728	24,951	25,911	-	-	2,736,379	2,619,907
Building occupancy	504,847	386,094	148,835	142,422	54,231	72,483	-	-	219	1,200	-	-	23,172	22,678	-	-	731,304	624,877
Travel	227,747	432,231	74,127	181,716	452	1,435	63	-	-	3,329	-	416	1,809	4,785	-	-	304,198	623,912
Purchased professional services	166,188	162,880	-	-	-	-	-	-	-	-	-	-	-	-	-	-	166,188	162,880
Training and recruitment	129,814	41,329	1,194	5,725	2,175	559	125	-	-	-	-	-	1,576	185	-	-	134,884	47,798
	13,595,085	13,209,548	10,823,615	10,408,444	291,599	393,558	5,376	11,417	79,060	138,922	36,762	23,096	209,760	190,203	124,543	55,299	25,165,800	24,430,487
Excess (deficiency) of revenue over expenses	396	252,732	63	118,416	16,983	(45,268)	-	-	933	(26,235)	-	-	5	3,423	-	-	18,380	303,068

Family and Children's Services of Renfrew County
Schedule 2 - Trust Fund Activity

For the year ended March 31, 2021

	Fund balances, beginning of year	Revenue	Cost of services (net of recoveries)	Excess (deficiency) of revenue over expenses	Transfer to capital fund	Fund balances, end of year
Millenium Fund	8,416	35,000	39,547	(4,547)	-	3,869
RESP Fund	-	-	-	-	-	-
OCBe Savings Fund	(13,854)	50,980	21,660	29,320	-	15,466
OCBe Activities Fund	-	-	-	-	-	-
Contingent Fund	34,864	3,456	954	2,502	-	37,366
Building Fund	(61,750)	438,841	236,249	202,592	(163,240)	(22,398)
Foster Parent Fund	8,283	-	-	-	-	8,283
Charity Event Fund	11,390	7,901	1,666	6,235	-	17,625
Christmas Fund	1,255	11,980	1,532	10,448	-	11,703
D. Aikens Summer Camp Fund	7,748	16,850	2,912	13,938	-	21,686
DSS Summer Camp Fund	7,234	593	2,079	(1,486)	-	5,748
Lucie Webb Fund	15,267	800	-	800	-	16,067
Grandparent Support	2,500	-	-	-	-	2,500
Safe Shelter	6,926	1,367	72	1,295	-	8,221
Pflag Renfrew County	4,436	4,664	6,117	(1,453)	-	2,983
	32,715	572,432	312,788	259,644	(163,240)	129,119

Family and Children's Services of Renfrew County

Schedule 3 - Trust Fund Purpose

For the year ended March 31, 2021

<i>Fund</i>	<i>Purpose</i>
Millenium Fund	To provide post secondary education for agency wards.
RESP Fund	To provide post secondary education for agency wards.
OCBe Savings Fund	To provide funds to agency wards upon exiting care of the society.
OCBe Activities Fund	To provide all children and youth in care with access to recreational, educational, cultural and social opportunities that support their achievement of higher educational outcomes, higher degree for resiliency, social skills and relationship development.
Contingent Fund	Funds that have been raised for Outreach programs.
Building Fund	To provide and maintain the infrastructure of all existing buildings. Funds are also provided through rental income independent of the Agency.
CWSN Fund	To provide financial support to children with special needs who are eligible for the federal disability tax credit.
Foster Parent Fund	Funds raised at Foster Parent events to be directed toward children in care.
Charity Event Fund	Funds provided by Charity Event for children's programs.
Christmas Fund	To provide protection case-load children with gifts at Christmas.
D. Aikens Summer Camp Fund	Fundraising to send children to summer camp.
DSS Summer Camp	Fundraising to send children in Developmental Services program to summer camp.
Lucie Webb Fund	To provide post-secondary funding for agency wards who wish to pursue a career in administration.
Grandparent Support	To provide funds to grandparents who are caring for their grandchildren.
Pflag	To support the local Pflag chapter in providing awareness and support