

Financial Statements of

**FAMILY AND CHILDREN'S  
SERVICES OF RENFREW  
COUNTY**

And Independent Auditor's Report thereon

Year ended March 31, 2023



KPMG LLP  
Vaughan Metropolitan Centre  
100 New Park Place, Suite 1400  
Vaughan ON L4K 0J3  
Canada  
Tel 905-265-5900  
Fax 905-265-6390

## INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets 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 Agency as at March 31, 2023, and its results of operations, changes in net assets 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 auditor's 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.



Page 2

### ***Other Matter - Comparative Information***

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 16, 2022.

### ***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 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.



Page 3

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.
- 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*

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 20, 2023

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	Operating Fund	Trust Fund	Capital Fund	2023	2022
<b>Assets</b>					
Current assets:					
Cash	\$ 1,211,746	\$ –	\$ –	\$ 1,211,746	\$ 807,719
Restricted cash	–	489,222	–	489,222	467,808
Accounts receivable (note 2)	416,744	–	–	416,744	476,130
Due from the Province of Ontario (note 3)	–	–	–	–	213,605
Prepaid expenses	96,965	–	–	96,965	89,584
	1,725,455	489,222	–	2,214,677	2,054,846
Capital assets (note 4)	–	–	2,699,257	2,699,257	2,808,644
	\$ 1,725,455	\$ 489,222	\$ 2,699,257	\$ 4,913,934	\$ 4,863,490

## Liabilities and Net Assets

Current liabilities:					
Accounts payable and accruals (note 6)	\$ 3,103,781	\$ –	\$ –	\$ 3,103,781	\$ 2,478,822
Current portion of long-term debt (note 7)	–	–	86,664	86,664	123,000
Term loans due on demand (note 7)	–	–	–	–	729,483
Due to the Province of Ontario (note 3)	40,057	–	–	40,057	–
	3,143,838	–	86,664	3,230,502	3,331,305
Long-term debt (note 7)	–	–	642,781	642,781	–
Funds held in trust (note 8)	–	290,141	–	290,141	307,190
	3,143,838	290,141	729,445	4,163,424	3,638,495
Net assets:					
Invested in capital assets	–	–	1,969,812	1,969,812	1,956,161
Internally restricted	–	199,081	–	199,081	149,102
Unrestricted	(1,418,383)	–	–	(1,418,383)	(880,268)
	(1,418,383)	199,081	1,969,812	750,510	1,224,995
Contingencies (note 15)					
	\$ 1,725,455	\$ 489,222	\$ 2,699,257	\$ 4,913,934	\$ 4,863,490

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

## Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Operating Fund	Trust Fund	Capital Fund	2023	2022
<b>Revenue:</b>					
Government funding:					
Ministry of Children, Community and Social Services (note 9)	\$ 24,648,248	\$ -	\$ -	\$ 24,648,248	\$ 25,260,300
Ministry of Attorney General	172,293	-	-	172,293	168,893
Renfrew County	380,473	-	-	380,473	313,901
	25,201,014	-	-	25,201,014	25,743,094
Rental	40,927	465,922	-	506,849	87,149
Other	344,577	68,112	-	412,689	576,590
Children's special allowance	245,882	32,240	-	278,122	253,589
Fees collected	80,440	-	-	80,440	42,845
Interest	49,539	15,651	-	65,190	20,316
	761,365	581,925	-	1,343,290	980,489
	25,962,379	581,925	-	26,544,304	26,723,583
<b>Expenses:</b>					
Salaries and benefits	11,110,319	-	-	11,110,319	11,054,951
Program costs	7,095,870	265,435	-	7,361,305	7,850,739
Employee benefits	2,966,733	-	-	2,966,733	2,919,867
Board rate	2,353,337	-	-	2,353,337	2,422,468
Building occupancy	624,768	265,802	-	890,570	475,853
Health related and financial assistance	707,139	-	-	707,139	693,316
Travel	452,392	-	-	452,392	438,250
Purchased professional services	213,937	36	-	213,973	144,043
Amortization	-	-	202,582	202,582	215,696
Clients' personal needs	159,111	-	-	159,111	130,849
Technology	133,770	-	-	133,770	124,651
Office administration and promotion	127,604	911	-	128,515	173,965
Insurance	112,359	-	-	112,359	95,253
Purchased services, case related	69,354	-	-	69,354	84,572
Membership fees	65,643	-	-	65,643	65,739
Training and recruitment	56,269	-	-	56,269	98,043
Interest on long-term debt	35,418	-	-	35,418	16,992
	26,284,023	532,184	202,582	27,018,789	27,005,247
Excess (deficiency) of revenue over expenses	\$ (321,644)	\$ 49,741	\$ (202,582)	\$ (474,485)	\$ (281,664)

See accompanying notes to financial statements.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

## Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

				2023	2022
	Operating Fund	Trust Fund	Capital Fund	Total	Total
Net assets, beginning of year	\$ (880,268)	\$ 149,102	\$ 1,956,161	\$ 1,224,995	\$ 1,506,659
Excess (deficiency) of revenue over expenses	(321,644)	49,741	(202,582)	(474,485)	(281,664)
	(1,201,912)	198,843	1,753,579	750,510	1,224,995
Payments of long-term debt	(123,038)	–	123,038	–	–
Capital asset purchases	(93,195)	–	93,195	–	–
Interfund transfers	(238)	238	–	–	–
<b>Net assets, end of year</b>	<b>\$ (1,418,383)</b>	<b>\$ 199,081</b>	<b>\$ 1,969,812</b>	<b>\$ 750,510</b>	<b>\$ 1,224,995</b>

See accompanying notes to financial statements.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (474,485)	\$ (281,664)
Amortization which does not involve cash	202,582	215,696
Change in non-cash operating working capital:		
Accounts receivable	59,386	(39,871)
Due to/from the Province of Ontario	253,662	64,759
Prepaid expenses	(7,381)	(4,469)
Accounts payable and accruals	624,959	94,187
Funds held in trust	(17,049)	3,720
	<u>641,674</u>	<u>52,358</u>
Financing activities:		
Repayment of long-term debt	(123,038)	(128,562)
	<u>(123,038)</u>	<u>(128,562)</u>
Investing activities:		
Purchase of capital assets	(93,195)	(46,539)
	<u>(93,195)</u>	<u>(46,539)</u>
Increase (decrease) in cash	425,441	(122,743)
Cash, beginning of year	1,275,527	1,398,270
Cash, end of year	<u>\$ 1,700,968</u>	<u>\$ 1,275,527</u>
Cash is composed of:		
Cash	\$ 1,211,746	\$ 807,719
Restricted cash	489,222	467,808
	<u>\$ 1,700,968</u>	<u>\$ 1,275,527</u>

See accompanying notes to financial statements.



# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements

Year ended March 31, 2023

---

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, Community and Social Services, Ministry of the Attorney General, 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.

## **1. Significant accounting policies:**

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The Agency uses the accrual basis of accounting. The significant accounting policies used are as follows:

### (a) 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, revenue and expenses related to program delivery and administrative activities.

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

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

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

The Agency uses the restricted fund method of accounting for contributions. Restricted contributions related to Trust Fund or Capital Fund activities are recognized as revenue in the related 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.

### (c) Unrestricted fund:

The unrestricted fund accounts for the Agency's operating and administration activities. This fund reports the unrestricted resources and operating grants.

### (d) Invested in capital fund:

The invested in capital fund reflects the extent to which the Agency's resources are not available for other purposes because they are invested in capital assets. All amortization and gains or losses on the disposal of capital assets are charged directly to this fund.

### (e) Internally restricted:

The internally restricted fund is a reserve fund established for the purpose of future special projects at the discretion of the Board of Directors, as outlined in schedule 2. The current year transfer was approved by the board on June 19, 2022.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## 1. Significant accounting policies (continued):

### (f) 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 receivable (excluding harmonized sales tax recoverable) and due from the Province of Ontario.

Financial liabilities measured at amortized cost include accounts payable and accruals (excluding government remittances payable), funds held in trust, term loans due on demand 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.

### (g) Restricted cash:

All cash held within the Trust Fund is restricted for specified purposes. These restricted funds include unspent trust funds and funds held in trust as described in note 8.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## 1. Significant accounting policies (continued):

### (h) 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

---

Buildings	40 years
Equipment	10 years
Computers	3 years

---

### (i) 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.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## 1. Significant accounting policies (continued):

### (j) 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
Occupancy costs	Allocated on the basis of market rentals and space utilized by each program's full-time equivalent

---

### (k) Employee future benefits:

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

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## 1. Significant accounting policies (continued):

### (l) PS 3280 - Asset Retirement Obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the removal of asbestos in several of the buildings owned by the Agency has been recognized based on estimated future expenses on removal of the asbestos.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (h).

### (m) Newly adopted accounting standards:

On April 1, 2022, the Agency adopted the following Public Sector Accounting Standards:

- PS 3280 - Asset Retirement Obligations;
- PS 3450 - Financial Instruments;
- PS 2601 - Foreign Currency Translation; and
- PS 3041 - Portfolio Investments.

The adoption of these standards did not have a significant impact on the financial statements of the Agency.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## 1. Significant accounting policies (continued):

### (n) Future accounting pronouncements:

These standards and amendments were not effective for the year ended March 31, 2023, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

- (i) PS 3400 - Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. This section is effective for fiscal years beginning on or after April 1, 2023.
- (ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023.

### (o) 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 revenue and expenses during the reporting year.

In addition, the Agency's implementation of PS 3280 has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Due from the Province of Ontario is estimated based on interpretation of the related funding agreement. Amortization is based on the estimated useful lives of capital assets. Contingent liabilities and accruals are estimated based on information available to management as at the report date.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 1. Significant accounting policies (continued):

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 revenue over expenses in the years in which they become known.

## 2. Accounts receivable:

	2023	2022
Harmonized sales tax recoverable	\$ 53,696	\$ 226,923
Other accounts receivable	363,048	249,207
	<b>\$ 416,744</b>	<b>\$ 476,130</b>

## 3. 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 11) 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:

	2023	2022
Due from the Province of Ontario, beginning of year	\$ 213,605	\$ 278,364
Recovered by (provided by) the Ministry during the year	227,298	(378,739)
Due from (to) Balanced Budget Fund for the year	(233,539)	233,539
Pandemic pay recoverable	(120,316)	-
Due from (to) policy priority fund	(68,565)	68,565
Non-recoverable amount due to the Ministry for the year	(19,144)	(27,520)
Wage enhancement receivable (payable)	(39,396)	39,396
Due from (to) the Province of Ontario, end of year	<b>\$ (40,057)</b>	<b>\$ 213,605</b>



# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 4. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 369,547	\$ –	\$ 369,547	\$ 369,546
Buildings	4,381,706	2,159,546	2,222,160	2,265,913
Equipment	1,109,008	1,031,728	77,280	108,411
Computers	297,704	267,434	30,270	64,774
	<b>\$ 6,157,965</b>	<b>\$ 3,458,708</b>	<b>\$ 2,699,257</b>	<b>\$ 2,808,644</b>

Cost and accumulated amortization at March 31, 2022 amounted to \$6,052,254 and \$3,243,610, respectively.

Included in capital assets are asset retirement obligations at a cost of \$67,800 and accumulated amortization of \$18,460.

## 5. Credit facilities:

At March 31, 2023, the Agency had access to an authorized line of credit totaling \$1,300,000 (2022 - \$1,300,000), bearing interest at prime rate, of which nil (2022 - 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. Additionally, the Agency has access to a \$100,000 demand corporate MasterCard line, to pay for and temporarily finance day-to-day business expenses.

## 6. Accounts payable and accruals:

	2023	2022
Trade accounts payable	\$ 1,211,034	\$ 1,371,964
Accrued vacation payable	552,159	526,535
Accrued liabilities	942,974	213,269
Accrued wages payable	224,308	186,522
Grants payable	173,306	158,001
Government remittances payable	–	22,531
	<b>\$ 3,103,781</b>	<b>\$ 2,478,822</b>

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 7. Long-term debt:

	2023	2022
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 nil (2022 - \$513,777)	\$ -	\$ 36,372
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 \$1,074,705 (2022 - \$1,110,879)	729,445	816,111
	<u>729,445</u>	<u>852,483</u>
Less:		
Current portion	86,664	123,000
Term loans due on demand	-	729,483
	<u>86,664</u>	<u>852,483</u>
	<u>\$ 642,781</u>	<u>\$ -</u>

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

2024	\$ 86,664
2025	86,664
2026	86,664
2027	86,664
2028	86,664
Thereafter	296,125
	<u>\$ 729,445</u>

Interest on long-term debt amounted to \$35,418 (2022 - \$16,992).

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

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

The terms of the long-term debt require that certain measurable covenants be met in regard to a debt service coverage ratio. As at March 31, 2022, the Agency was in violation of this covenant. As a result, the long-term portion has been presented as due upon demand. As at March 31, 2023, the Agency was in compliance with all of their covenants, therefore the term loan will not be called on demand and payments are made based on a predetermined amortization schedule.

## 8. Funds held in trust:

The Agency holds in the Trust Fund account a total of \$153,533 (2022 - \$162,058) 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 \$902,323 (2022 - \$937,183) is held in RESPs at Royal Bank of Canada, where a total of 140 (2022 - 142) 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 \$136,608 (2022 - \$145,132) relating to the Ontario Child Benefit Equivalent ("OCBE") to be distributed to eligible youth in care according to Ministry Policy Directive CW002-18.

## 9. Ministry of Children, Community and Social Services funding reconciliation:

	2023	2022
Ministry of Children, Community and Social Services funding per confirmation	\$ 24,916,661	\$ 25,340,168
Funding receipts (adjustments) confirmed relating to prior years	(268,413)	(378,739)
Accrued deficit receivable - Child Welfare Fund	-	233,539
Accrued surplus repayable - Developmental Services	-	(27,520)
Policy priority fund and wage enhancement receivable	-	92,852
	<b>\$ 24,648,248</b>	<b>\$ 25,260,300</b>

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## **10. Multi-employer pension plan:**

The Agency makes contributions to 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 a defined benefit pension plan is not available, the Plan is accounted for as a defined contribution plan. Contributions to OMERS for the year amounted to \$1,031,445 (2022 - \$1,019,224). 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, 2022. At that time, the Plan reported an actuarial deficit of \$6.7 billion (2021 - deficit of \$3.1 billion), based on an accrued pension obligation of \$128.8 billion (2021 - \$120.8 billion) and actuarial assets of \$123.6 billion (2021 - \$117.7 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

## **11. Balanced Budget Fund and future access to surpluses:**

In 2014, the Ministry of Children and Youth Services 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:

- (a) Have generated a prior year surplus recovered in or after 2013 - 2014; and
- (b) 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.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 11. Balanced Budget Fund and future access to surpluses (continued):

Surpluses generated can be accessed for three fiscal years. There are no surpluses remaining available at March 31, 2023.

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

	2023	2022	2021	2020	2019	2018
Balance remaining, beginning of year	\$ -	\$ 233,539	\$ 690,189	\$ 456,650	\$ 1,273,350	\$ 607,878
Surplus accumulated	-	-	-	233,539	-	665,472
Surplus applied to 2016 deficit	-	-	-	-	(259,362)	-
Surplus applied to 2019 deficit	-	-	-	-	(557,338)	-
Surplus applied to 2021 deficit	-	-	(400,339)	-	-	-
Surplus applied to 2022 deficit	-	(233,539)	-	-	-	-
Surplus expiring	-	-	(56,311)	-	-	-
Balance remaining, end of year	\$ -	\$ -	\$ 233,539	\$ 690,189	\$ 456,650	\$ 1,273,350

## 12. 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.

## 13. 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.

## 14. 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.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## 14. Financial instruments (continued):

### (a) 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, 2023 is nil (2022 - nil). The carrying amount of the Agency's financial instruments best represents the maximum exposure to credit risk.

### (b) 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 Agency 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 7.

### (c) 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 Agency is exposed to this risk mainly in respect of its accounts payable and accruals and long-term debt.

Contractual maturities of long-term debt are disclosed in note 7.

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.

Accounts payable and accruals are generally due within 60 days of receipt of an invoice.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Notes to Financial Statements (continued)

Year ended March 31, 2023

---

## **15. Contingencies:**

In the normal conduct of operations, there are pending claims against the Agency. These claims remain at an early stage, litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Agency's financial position or results of operations.

During 2022, the Agency and Ontario Public Service Employees Union signed a memorandum of agreement regarding a pay equity review that began in 2014. The objective of the review and current negotiations is to ensure pay equity has been maintained for the Agency's bargaining unit from January 1, 2017 to present. Any amounts owing will be recorded when known.

## **16. Comparative information:**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Schedule 1 - Schedule of Operating Fund Revenue and Expenses by Program

Year ended March 31, 2023, with comparative information for 2022

	Child Welfare		Developmental Services		Early ON		Outreach		Kumon		Safe Shelter		Supervised Access		Other Grants		Total Operating Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenue:</b>																		
Government funding	\$ 12,338,459	\$ 12,817,028	\$ 12,296,924	\$ 12,435,906	\$ 380,473	\$ 313,901	\$ -	\$ -	\$ 1,595	\$ -	\$ 15,973	\$ -	\$ 167,590	\$ 176,259	\$ -	\$ -	\$ 25,201,014	\$ 25,743,094
Other revenue and recoveries	624,994	451,845	44,612	17,635	-	-	3,059	3,320	88,700	64,397	-	41,287	-	49	-	131,244	761,365	719,837
	12,963,453	13,278,873	12,341,536	12,453,601	380,473	313,901	3,059	3,320	90,295	64,397	15,973	41,287	167,590	176,308	-	131,244	25,962,379	26,462,931
<b>Expenses:</b>																		
Salaries	7,543,123	7,906,091	3,235,339	2,760,842	187,003	188,470	-	-	53,795	38,563	4,004	11,202	87,055	149,783	-	-	11,110,319	11,054,951
Program costs	2,754,526	2,573,879	8,120,525	8,683,259	54,805	42,991	2,820	6,251	39,867	18,915	12,170	1,500	19,475	(40,967)	-	131,244	11,004,188	11,417,072
Employee benefits	2,160,021	2,131,742	725,459	695,497	48,344	59,072	-	-	4,832	3,747	(201)	1,019	28,278	28,790	-	-	2,966,733	2,919,867
Building occupancy	349,291	324,856	191,211	193,396	58,774	60,212	779	-	-	126	-	-	24,713	26,630	-	-	624,768	605,220
Travel	332,607	311,922	110,399	113,139	424	96	-	-	1,043	209	-	1,953	7,919	10,931	-	-	452,392	438,250
Purchased professional services	69,308	144,043	46	-	-	-	-	-	-	-	-	-	-	-	-	-	69,354	144,043
Training and recruitment	41,052	94,282	14,957	3,283	110	53	-	-	-	-	-	-	150	425	-	-	56,269	98,043
	13,249,926	13,486,815	12,397,936	12,449,416	349,460	350,894	3,599	6,251	99,537	61,560	15,973	15,674	167,590	175,592	-	131,244	26,284,023	26,677,446
<b>Excess (deficiency) of revenue over expenses</b>	\$ (286,475)	\$ (207,942)	\$ (56,400)	\$ 4,185	\$ 31,013	\$ (36,993)	\$ (540)	\$ (2,931)	\$ (9,242)	\$ 2,837	\$ -	\$ 25,613	\$ -	\$ 716	\$ -	\$ -	\$ (321,644)	\$ (214,515)



# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

## Schedule 2 - Trust Fund Activity

Year ended March 31, 2023, with comparative information for 2022

	Fund balances, beginning of year	Revenue (loss)	Cost of services, net of recoveries	Excess (deficiency) of revenue over expenses	Transfer to operating fund	Fund balances, end of year
Millenium Fund	\$ 30,620	\$ 57,115	\$ (57,115)	\$ -	\$ 238	\$ 30,858
RESP Fund	14,541	49,027	(49,720)	(693)	-	13,848
OCBE Savings Fund	37,146	773	(240)	533	-	37,679
OCBE Activities Fund	(32,275)	1,236	(13,421)	(12,185)	-	(44,460)
Contingent Fund	37,366	(3,175)	-	(3,175)	-	34,191
Building Fund	(47,850)	457,527	(382,466)	75,061	-	27,211
Foster Parent Fund	8,283	-	-	-	-	8,283
Charity Event Fund	23,134	-	-	-	-	23,134
Christmas Fund	13,639	6,051	(6,051)	-	-	13,639
D. Aikens Summer Camp Fund	19,767	10,599	(10,599)	-	-	19,767
DSS Summer Camp Fund	5,205	1,695	(1,695)	-	-	5,205
Indigenous Fund	5,787	-	-	-	-	5,787
Lucie Webb Fund	16,759	1,000	(1,000)	-	-	16,759
Grandparent Support	2,500	-	-	-	-	2,500
Safe Shelter	8,462	(9,800)	-	(9,800)	-	(1,338)
Pflag Renfrew County	6,018	9,877	(9,877)	-	-	6,018
	\$ 149,102	\$ 581,925	\$ (532,184)	\$ 49,741	\$ 238	\$ 199,081

# FAMILY AND CHILDREN'S SERVICES OF RENFREW COUNTY

Schedule 3 - Trust Fund Purpose

Year ended March 31, 2023

Fund	Purpose
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 Fund	Fundraising to send children in Developmental Services program to summer camp.
Indigenous Fund	To support Indigenous children, families, and programming.
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.