



Financial Statements of

**LINCK CHILD, YOUTH AND  
FAMILY SUPPORTS**

Year ended March 31, 2024

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

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Year ended March 31, 2024

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of LINCK Child, Youth and Family Supports

### ***Opinion***

We have audited the financial statements of LINCK Child, Youth and Family Supports (the "Entity"), which comprise:

- the statements of financial position as at March 31, 2024
- the statements of operations for the year then ended
- the statements of changes in net assets for the year then ended
- the statements of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audits 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



***Responsibilities of Management for the Financial Statements and Those Charged with Governance***

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.

***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.

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.



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- 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 auditor's 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*

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

June 25, 2024

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

## Statement of Financial Position

March 31, 2024, with comparative information for March 31, 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash (note 3)	\$ 1,378,373	\$ 1,475,450
Accounts receivable - Ontario	653,028	438,871
Accounts receivable - Trade	394,289	255,723
Prepaid expenses	213,788	213,619
	<u>2,639,478</u>	<u>2,383,663</u>
Capital assets (note 4)	7,328,881	7,664,502
	<u>\$ 9,968,359</u>	<u>\$ 10,048,165</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued charges (note 6)	\$ 2,707,947	\$ 2,377,375
Funding repayable (note 7)	146,749	261,845
Deferred revenue (note 8)	565,349	329,348
Current portion of long-term debt (note 10)	311,000	291,000
	<u>3,731,045</u>	<u>3,259,568</u>
Trust funds	5,600	23,398
Long-term debt (note 10)	54,000	365,000
	<u>3,790,645</u>	<u>3,647,966</u>
Net assets:		
Operating deficit	(2,158)	(2,158)
Internally restricted (note 11)	(784,009)	(606,145)
Invested in capital assets (note 12)	6,963,881	7,008,502
	<u>6,177,714</u>	<u>6,400,199</u>
Commitments (note 14)		
Contingencies (note 17)		
	<u>\$ 9,968,359</u>	<u>\$ 10,048,165</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
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M. Donohue

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

## Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
<b>Revenue:</b>		
Province of Ontario	\$ 22,872,826	\$ 22,297,023
Municipality of Chatham-Kent	2,113,054	2,463,301
Other agencies	388,450	292,482
Expenditure recoveries and other	1,265,558	1,368,463
Fundraising	46,494	94,903
	<u>26,686,382</u>	<u>26,516,172</u>
<b>Expenditures:</b>		
Salaries and benefits	17,489,623	17,514,767
Travel	623,960	522,291
Boarding payments	3,907,180	3,309,119
Amortization	539,218	575,361
Other	4,348,886	4,251,473
	<u>26,908,867</u>	<u>26,173,011</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (222,485)</b>	<b>\$ 343,161</b>

See accompanying notes to financial statements.

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

## Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

2024	Operations	Internally restricted	Invested in capital assets	Total
Balance, beginning of year	\$ (2,158)	\$ (606,145)	\$ 7,008,502	\$ 6,400,199
Excess (deficiency) of revenue over expenditures	316,733	-	(539,218)	(222,485)
Interfund transfers	(316,733)	(177,864)	494,597	-
<b>Balance, end of year</b>	<b>\$ (2,158)</b>	<b>\$ (784,009)</b>	<b>\$ 6,963,881</b>	<b>\$ 6,177,714</b>

2023	Operations	Internally restricted	Invested in capital assets	Total
Balance, beginning of year	\$ (2,158)	\$ (583,089)	\$ 6,642,285	\$ 6,057,038
Excess (deficiency) of revenue over expenditures	930,550	-	(587,389)	343,161
Interfund transfers	(930,550)	(23,056)	953,606	-
<b>Balance, end of year</b>	<b>\$ (2,158)</b>	<b>\$ (606,145)</b>	<b>\$ 7,008,502</b>	<b>\$ 6,400,199</b>



# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenditures	\$ (222,485)	\$ 343,161
Items not involving cash:		
Amortization expense	539,218	575,361
Loss on disposal of property, plant and equipment	-	12,028
Change in non-cash operating working capital (note 14)	80,787	345,936
	397,520	1,276,486
Investing:		
Additions to capital assets	(203,597)	(679,606)
Financing:		
Repayment of long-term debt	(291,000)	(274,000)
Increase (decrease) in cash	(97,077)	322,880
Cash, beginning of year	1,475,450	1,152,570
Cash, end of year	\$ 1,378,373	\$ 1,475,450

See accompanying notes to financial statements.

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

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The Chatham-Kent Children's Services (the "Service") was incorporated under the laws of Ontario on March 5, 1998 without share capital and is a registered charity under the Income Tax Act. It provides support services to the children and youth of Chatham-Kent and their families in accordance with service and financing agreements in place with its funding partners. The Service operates under the regulations and financial policies of the Ministry of Children, Community and Social Services, the Ministry of Health, the Broader Public Sector Accountability Act, 2010, Ministry of Education and the Municipality of Chatham-Kent. On April 5, 2022, the Service filed articles of amendment to change the corporation name to LINCK Child, Youth and Family Supports.

## 1. Significant accounting policies:

### (a) Basis of presentation:

The financial statements of the Service have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

For fiscal years beginning on or after April 1, 2023, PS 3400 Revenue, PS 3160 Public Private Partnerships and PSG 8 Purchased Intangibles came into effect. The Service adopted these new standards as of their effective date; there was no impact to the financial statements upon their adoption.

### (b) Cash:

Cash consists of cash on hand and the balance on account any investments with maturity dates of less than three months.

### (c) Capital assets:

Capital assets are reported at their original cost and amortized using the straight-line method over the estimated following useful lives:

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Buildings	40 years
Equipment and furnishing:	
Technology equipment	3 years
Communication equipment	5 years
Vehicles	5 years
Furniture and other equipment	10 years

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Amortization is not taken until assets are placed in use.

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (d) 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 capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefit will be given up; and
- A reasonable estimate of the amount can be made.

### (e) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

### (f) Revenue recognition:

Contributions from funding organizations are recognized as revenue in the year of receipt except in the following:

- (i) Contributions relating to approved expenditures not yet incurred are credited to deferred revenue to match the funding organization's fiscal year.
- (ii) Unexpended funds at the end of the year from contributions to the operating fund, reduce contribution revenue and are reported as amounts repayable, unless approval has been received to use excess funds for specific upcoming expenditures. Over expenditures may not be recovered.

### (g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record any future interest rate swaps at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. As the Service has no financial instruments recognized at fair value, the Service does not have a statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (g) Financial instruments (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of revenue and expenditures.

### (h) Use of estimates:

The preparation of the 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates include the valuation of accounts receivable and capital assets. Actual results could differ from those estimates.

## 2. Balanced Budget Fund and Future Access to Surplus:

In 2014, the Ministry of Children, Community and Social Services announced the Creation of the "Balanced Budget Fund" to support Children's Aid Societies in meeting the newly announced balanced budget requirements that were outlined in the Ministry's Regulation 70. The Balanced Budget Fund process has been developed individually for each Children's Aid Society and will reflect the accumulated surplus that was returned to the Ministry each year. To be eligible to access these funds, the Service must meet two conditions:

- (1) the Service must have generated a prior year surplus recovered in or after 2013-2014; and
- (2) the Service must require additional funding in a future year for child welfare operations in order that they will not incur a deficit. The required amount cannot exceed the total accumulated balanced budget fund surplus, and withdrawals from the fund must be approved by the Ministry.

Starting in 2021, the Ministry established a ministry-managed Balanced Budget Fund account, with the goal to reduce accumulated deficits being managed by other societies and to support sector implementation of other ministry priorities.

50% of the operating surplus generated by each society not managing an accumulated deficit will be contributed to the ministry-managed Balanced Budget Fund. The remaining 50% will be contributed to the Service's own Balanced Budget Fund.

Prior years' un-accessed contributions to the Balanced Budget Fund that are expiring at the end of 2024 will be added to the ministry-managed Balanced Budget Fund.

The Service's accumulated Balanced Budget Fund as at March 31, 2024 is \$nil (2023 - \$649,690).

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

### 3. Cash:

Cash includes the following amounts, some of which are restricted.

	2024	2023
Operating:		
General use	\$ 722,837	\$ 916,051
Ontario Child Benefit equivalent	200,536	207,608
Deferred revenue	113,669	29,659
RESP funds	142,360	99,160
Trust funds	5,600	22,511
Internally restricted (note 12)	193,371	200,461
	<u>\$ 1,378,373</u>	<u>\$ 1,475,450</u>

### 4. Capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings:				
495 Grand Avenue West				
Chatham	\$ 11,763,245	\$ 4,911,428	\$ 6,851,817	\$ 7,019,787
Equipment and furnishing	1,268,483	1,043,841	224,642	262,247
Vehicles	650,232	397,810	252,422	382,468
	<u>\$ 13,681,960</u>	<u>\$ 6,353,079</u>	<u>\$ 7,328,881</u>	<u>\$ 7,664,502</u>

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

**5. RESP's:**

The Service has received from the Ministry of Children, Community and Social Services funds equivalent to the amounts received as Universal Child Care Benefits to be used to establish Registered Education Savings Plans (RESP's) for qualifying children ages birth to seventeen in the care of the agency. These funds have been invested in accordance with the directions from the Ministry of Children, Community and Social Services. At March 31, 2024, the Service holds RESPs in the amount of \$1,327,888 (2023 - \$1,327,888). These funds are not shown in the financial statements of the Service.

**6. Accounts payable and accrued charges:**

	2024	2023
Accounts payable and accrued charges	\$ 1,866,802	\$ 1,527,258
Accrued vacation payable	809,934	813,500
Government remittances payable	31,211	36,617
	<b>\$ 2,707,947</b>	<b>\$ 2,377,375</b>

**7. Funding repayable:**

The Service has several contracts with the Ministry of Children, Community and Social Services and the Ministry of Health. A reconciliation report summarizes, by detailed code, all revenues and expenditures and identifies any resulting surplus or deficit that relates to the contracts. A review of this report shows the following services to be in a surplus (deficit) position as at March 31. Any surplus amounts are reflected in funding repayable including adjustments from reconciliations with the Ministry.

	2024	2023
Youth Justice Programs E780, E830, E833	\$ 80,500	\$ 174,161
Counselling/Therapy A349	(4,820)	(4,820)
Crisis Services A350	11,389	11,389
Family Capacity Building Support A351	8,539	8,539
Intensive Treatment Services A353	15,959	27,196
Specialized Consultation A355	32,205	30,261
C&FI Operating Residents E750	2,026	11,150
Tele-Mental Health	2,949	2,949
Infant Development	-	750
Child Welfare	(2,268)	-
Brief Services A348	270	270
	<b>\$ 146,749</b>	<b>\$ 261,845</b>

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 8. Deferred revenue:

Deferred revenue consists of:

	2024	2023
Province of Ontario:		
Ontario Child Benefit equivalent	\$ 200,536	\$ 207,609
Other funders:		
Special needs resourcing and others	364,813	121,739
	<u>\$ 565,349</u>	<u>\$ 329,348</u>

## 9. Bank indebtedness:

The Service has available a revolving credit limit of \$500,000 available to them. The credit limit bears interest on Canadian dollar loans which will be calculated on the basis of the provisions of the CIBC offsetting banking agreement for the Chatham-Kent Lambton Administrators Group ("CKLAG"). The balance at year end was \$nil (2023 - \$nil). The Service also has available a \$50,000 overdraft protection. The balance at year end was \$nil (2023 - \$nil).

## 10. Long-term debt:

	2024	2023
5.98% fixed term facility, banker's acceptance plus a 1.80% acceptance fee, payable in scheduled monthly instalments of interest rate and principal of \$19,000 - \$24,000, fixed portion of the interest rate and monthly payments are permanent for the term of the facility, secured by buildings. Repayable in full June 1, 2025.	\$ 365,000	\$ 656,000
Less: current portion	(311,000)	(291,000)
	<u>\$ 54,000</u>	<u>\$ 365,000</u>

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 11. Internally restricted and non-operating funds:

Internally restricted funds represent amounts contributed or designated for special projects or specific use as determined. Amounts received or disbursed are included in the statement of operations.

Non-operating funds represent amounts earned by the Service from fundraising activities. These amounts are available for use as directed by the Board of Directors. Amounts received or disbursed are included in the statement of operations.

## 12. Invested in capital assets:

(a) Invested in capital assets is calculated as follows:

	2024	2023
Capital assets	\$ 7,328,881	\$ 7,664,502
Less: long-term debt	(365,000)	(656,000)
	\$ 6,963,881	\$ 7,008,502

(b) Change in net assets invested in capital assets is calculated as follows:

	2024	2023
Excess (deficiency) of revenue over expenditures:		
Amortization	\$ (539,218)	\$ (587,389)
Capital assets purchased	203,597	679,606
Repayment of long-term debt	291,000	274,000
	494,597	953,606
	\$ (44,621)	\$ 366,217



# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 13. Net change in non-cash working capital items:

	2024	2023
Accounts receivable	\$ (352,723)	\$ 853,908
Prepaid expenses	(169)	(24,557)
Accounts payable and accrued changes	330,572	(256,258)
Funding repayable	(115,096)	31,810
Deferred revenue	236,001	(261,914)
Trust funds	(17,798)	2,947
	\$ 80,787	\$ 345,936

## 14. Commitments:

The Service leases land at 495 Grand Avenue West, Chatham; under the terms of the lease expiring December 2053, the future minimum annual lease payments are \$27,600.

## 15. Pension agreements:

The Service makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The Plan is a defined benefit plan, with contributions made by both the employee and employer. As a result, \$2,421,375 (2023 - \$2,314,581) was contributed to OMERS in the current year. The OMERS plan is currently 97% funded.

## 16. Financial risks:

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

### (a) Credit risk:

In management's opinion the Service is not exposed to significant credit risk.

### (b) Concentration of risk:

In management's opinion the Service is not exposed to any significant concentrations of risk.

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 16. Financial risks (continued):

### (c) Interest rate risk (cash flow, risk and price risk):

The Service is exposed to interest rate risk. Interest rate risk is the risk that the Service has on interest rate exposure on a portion of its long-term debt, which is variable based on the bank's prime rates. This exposure may have an effect on its cash flows in future periods. The Service reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. In the opinion of management the interest rate risk exposure to the Service is low and is not material. There has been no change to the risk exposures from 2023.

### (d) Liquidity risk:

The Service has significant financial liabilities outstanding including accounts payable and accrued charges. The Service is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. The Service manages its liquidity risk by monitoring operating requirements and prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2023.

### (e) Market risk:

In management's opinion the Service is not exposed to significant market risk.

### (f) Foreign currency risk:

In management's opinion the Service is not exposed to significant foreign currency risk.

## 17. Contingencies:

Due to the nature of its operations, the Service and/or its directors or employees are periodically subject to lawsuit(s) in which they are defendants. In the opinion of management, the ultimate resolution of any current lawsuit(s) would not have a material effect on the financial position or results of operations of the Service.

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Schedule - Operating

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Province of Ontario	\$ 22,872,826	\$ 22,297,023
Municipality of Chatham-Kent	2,113,054	2,463,301
Other agencies	388,450	292,482
<u>Expenditure recoveries and other</u>	<u>1,254,034</u>	<u>1,360,564</u>
	26,628,364	26,413,370
Expenditures:		
Salaries and benefits	17,489,623	17,514,767
Travel	623,960	522,291
Boarding payments	3,907,180	3,309,119
Amortization	539,218	575,361
Other	4,284,198	4,136,565
<u>Total expenditures</u>	<u>26,844,179</u>	<u>26,058,103</u>
<u>Excess (deficiency) of revenue over expenditures</u>	<u>\$ (215,815)</u>	<u>\$ 355,267</u>

# LINCK CHILD, YOUTH AND FAMILY SUPPORTS

Schedule - Non-Operating

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
<b>Revenue:</b>		
Fundraising	\$ 46,494	\$ 94,903
<u>Expenditure recoveries and other</u>	<u>11,524</u>	<u>7,899</u>
	58,018	102,802
<b>Expenditures:</b>		
Program expenses	64,688	102,880
<u>Loss on disposal of property, plant and equipment</u>	<u>-</u>	<u>12,028</u>
	64,688	114,908
<u>Deficiency of revenue over expenditures</u>	<u>\$ (6,670)</u>	<u>\$ (12,106)</u>