

**Kenora-Patricia Child and
Family Services
Financial Statements
For the year ended March 31, 2011**

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Independent Auditor's Report

To the Board of Directors of
Kenora-Patricia Child and Family Services

We have audited the accompanying financial statements of Kenora-Patricia Child and Family Services, which comprise the statement of financial position as at March 31, 2011, and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of Kenora-Patricia Child and Family Services based on the financial reporting directives provided by the Ministry of Children and Youth Services.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting directives provided by the Ministry of Children and Youth Services, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of Kenora-Patricia Child and Family Services for the year ended March 31, 2011 are prepared, in all material respects, in accordance with the financial reporting directives provided by the Ministry of Children and Youth Services.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to the significant accounting policies to the financial statements, which describe the basis of accounting. The financial statements are prepared for the purpose of providing information to the Ministry of Children and Youth Services. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Kenora-Patricia Child and Family Services and the Ministry of Children and Youth Services and should not be distributed to or used by parties other than Kenora-Patricia Child and Family Services and the Ministry of Children and Youth Services.

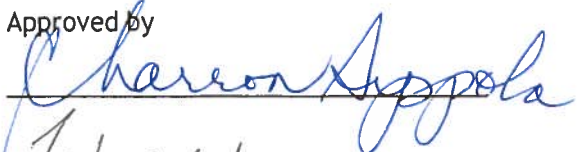
Chartered Accountants, Licensed Public Accountants

Kenora, Ontario
June 17, 2011

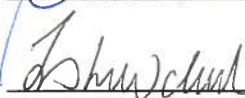
Kenora-Patricia Child and Family Services Statement of Financial Position

As at March 31	Operating Fund	Capital Asset Fund	Building Reserve Fund	Trust Funds	2011 Total	2010 Total
Assets						
Current						
Cash (Note 1)	\$ 5,894	\$ -	\$ 108,216	\$ 106,239	\$ 220,349	\$ 867,930
Accounts receivable (Note 2)	1,241,790	-	-	19,467	1,261,257	710,224
Due from Ministry of Children and Youth Services (Note 3)	354,023	-	-	-	354,023	412,355
Prepaid expenses	5,297	-	-	-	5,297	12,100
	<u>1,607,004</u>	-	<u>\$ 108,216</u>	<u>125,706</u>	<u>1,840,926</u>	<u>2,002,609</u>
Capital assets (Note 4)	-	<u>7,477,246</u>	-	-	<u>7,477,246</u>	<u>5,194,508</u>
	<u>\$ 1,607,004</u>	<u>\$ 7,477,246</u>	<u>\$ 108,216</u>	<u>\$ 125,706</u>	<u>\$ 9,318,172</u>	<u>\$ 7,197,117</u>
Liabilities and Fund Balances						
Current						
Bank indebtedness (Note 1)	\$ 453,121	\$ -	\$ -	\$ -	\$ 453,121	\$ -
Accounts payable (Note 5)	1,181,263	-	-	1,139	1,182,402	1,620,722
Government contributions repayable (Note 6)	-	-	-	-	-	21,356
Current portion of long term debt	-	<u>886,932</u>	-	-	<u>886,932</u>	<u>1,021,631</u>
	<u>1,634,384</u>	<u>886,932</u>	-	<u>1,139</u>	<u>2,522,455</u>	<u>2,663,709</u>
Deferred contributions (Note 7)	176,062	-	-	-	176,062	146,109
Due to (from) other funds	(199,278)	236,062	(36,784)	-	-	-
Long term debt (Note 8)	-	<u>755,375</u>	-	-	<u>755,375</u>	<u>152,003</u>
	<u>1,611,168</u>	<u>1,878,369</u>	<u>(36,784)</u>	<u>1,139</u>	<u>3,453,892</u>	<u>2,961,821</u>
Fund Balances						
Invested in capital assets	-	5,598,877	-	-	5,598,877	4,002,206
Unrestricted	(4,164)	-	-	-	(4,164)	-
Externally restricted (Note 9)	-	-	-	124,567	124,567	125,282
Internally restricted	-	-	145,000	-	145,000	107,808
	<u>(4,164)</u>	<u>5,598,877</u>	<u>145,000</u>	<u>124,567</u>	<u>5,864,280</u>	<u>4,235,296</u>
	<u>\$ 1,607,004</u>	<u>\$ 7,477,246</u>	<u>\$ 108,216</u>	<u>\$ 125,706</u>	<u>\$ 9,381,172</u>	<u>\$ 7,197,117</u>

Approved by



Director



Director

Kenora-Patricia Child and Family Services Statement of Operations

For the year ended March 31	Operating Fund	Capital Asset Fund	Building Reserve Fund	Trust Funds	2011 Total	2010 Total
	(Schedules 1 to 9)	(Schedule 10)				
Revenue						
Ministry of Children and Youth Services	\$ 13,174,381	\$ -	\$ 36,784	\$ -	\$13,211,165	\$ 12,475,194
Ministry of Agriculture, Food and Rural Affairs	-	1,429,329	-	-	1,429,329	37,337
Other income	144,028	-	408	1,215	145,651	72,409
	<u>13,318,409</u>	<u>1,429,329</u>	<u>37,192</u>	<u>1,215</u>	<u>14,786,145</u>	<u>12,584,940</u>
Expenditure						
Salaries	5,788,516	-	-	-	5,788,516	6,039,973
Employee benefits	1,266,863	-	-	-	1,266,863	1,287,726
Travel	672,427	-	-	-	672,427	671,360
Training and recruitment	89,057	-	-	-	89,057	101,402
Building occupancy	484,867	-	-	-	484,867	484,737
Professional services - non-client	76,472	-	-	-	76,472	88,859
Program expense	104,914	-	-	-	104,914	125,691
Boarding home payments	8,931,912	-	-	-	8,931,912	11,347,955
Professional services - client	62,836	-	-	-	62,836	57,902
External legal costs	186,771	-	-	-	186,771	178,950
Adoption/probation	174,206	-	-	-	174,206	175,488
Clients' personal needs	514,238	-	-	-	514,238	540,737
Health and related	133,571	-	-	-	133,571	107,228
Financial assistance	10,477	-	-	1,930	12,407	7,909
Promotion and publicity	31,053	-	-	-	31,053	28,684
Office administration	256,670	-	-	-	256,670	256,212
Capital acquisitions	80,400	2,211,205	-	-	2,291,605	65,035
Miscellaneous	91,437	-	-	-	91,437	37,781
Technology	344,601	-	-	-	344,601	486,543
Child benefit equivalent expenses	86,438	-	-	-	86,438	11,998
	<u>19,387,726</u>	<u>2,211,205</u>	<u>-</u>	<u>1,930</u>	<u>21,600,861</u>	<u>22,102,170</u>
Expenditure recoveries and other Fort Frances Area Children's Services share of funding	6,155,066	-	-	-	6,155,066	9,497,312
	<u>(89,913)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,913)</u>	<u>-</u>
	<u>13,322,573</u>	<u>2,211,205</u>	<u>-</u>	<u>1,930</u>	<u>15,535,708</u>	<u>12,604,858</u>
Excess of revenue over expenditure (expenditure over revenue) before amounts repayable	(4,164)	(781,876)	37,192	(715)	(749,563)	(19,918)
Government contributions repayable	-	-	-	-	-	(356)
Excess of revenue over expenditure (expenditure over revenue) for the year	\$ (4,164)	\$ (781,876)	\$ 37,192	\$ (715)	\$ (749,563)	\$ (20,274)

Kenora-Patricia Child and Family Services Statement of Changes in Fund Balances

For the year ended March 31	Operating Fund	Capital Asset Fund	Building Reserve Fund	Trust Funds	2011 Total	2010 Total
Fund balance, beginning of year	\$ -	\$ 4,002,206	\$ 107,808	\$ 125,282	\$4,235,296	\$ 4,215,605
Excess of revenue over expenditure (expenditure over revenue) for the year	(4,164)	(781,876)	37,192	(715)	(749,563)	(20,274)
Capital asset additions	-	2,527,812	-	-	2,527,812	206,612
Long term debt principal repayment during the year from operating funds	-	95,810	-	-	95,810	91,790
Amortization of capital assets	-	(245,075)	-	-	(245,075)	(258,437)
Fund balance, end of year	\$ (4,164)	\$ 5,598,877	\$ 145,000	\$ 124,567	\$ 5,864,280	\$ 4,235,296

Kenora-Patricia Child and Family Services Statement of Cash Flows

For the year ended March 31	2011	2010
Cash flows from operating activities		
Excess of expenditure over revenue for the year	\$ (749,563)	\$ (20,274)
Adjustment for amortization	245,075	258,437
Adjustment for capital items in operating activities	<u>2,378,547</u>	<u>39,965</u>
	1,874,059	278,128
Changes in non-cash working capital items		
Accounts receivable	(551,033)	561,878
Due from Ministry of Children and Youth Services	58,332	(266,830)
Prepaid expenses	6,803	(11,409)
Accounts payable	(438,320)	(89,818)
Government contributions repayable	(21,356)	(14,051)
Deferred contributions	<u>29,953</u>	<u>96,064</u>
	<u>958,438</u>	<u>553,962</u>
Cash flow from financing activities		
Net repayments for long term debt	(363,310)	(91,790)
Proceeds from long term debt	<u>831,982</u>	<u>-</u>
	<u>468,672</u>	<u>(91,790)</u>
Cash flow from investing activities		
Additions to capital assets	<u>(2,527,812)</u>	<u>(206,612)</u>
Increase (decrease) in cash during the year	(1,100,702)	255,560
Cash, beginning of year	<u>867,930</u>	<u>612,370</u>
Cash (bank indebtedness), end of year	<u>\$ (232,772)</u>	<u>\$ 867,930</u>
Consists of:		
Cash	\$ 220,349	\$867,930
Bank indebtedness	<u>(453,121)</u>	<u>-</u>
	<u>\$ (232,772)</u>	<u>\$ 867,930</u>

Kenora-Patricia Child and Family Services Summary of Significant Accounting Policies

March 31, 2011

Purpose of Organization Kenora-Patricia Child and Family Services is an organization dedicated to providing services to children and their families in the Kenora, Dryden, Sioux Lookout, Red Lake and other adjacent areas. Kenora-Patricia Child and Family Services is incorporated under the Corporations Act without share capital. It is an approved Children's Aid Society for purposes of the Child and Family Services Act and is a registered charity under the Income Tax Act.

Basis of Accounting These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the Ministry of Children and Youth Services reporting requirements. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles as follows:

Modified Accrual Basis

These financial statements were prepared using the modified accrual basis of accounting. The modified accrual basis recognizes revenues as they become available and measurable within the 30 day period subsequent to year end; expenditures are recognized as they become incurred and measurable as a result of receipt of goods and services and create a legal obligation to pay within a 30 day period subsequent to year end.

Capital Asset Acquisitions

Capital asset acquisitions are recorded as expenditures in the year of purchase.

Vacation Pay and Other Employee Benefits

Vacation pay expense and other employee benefits are not recorded in the financial statements until paid.

Revenue Recognition Kenora-Patricia Child and Family Services follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the appropriate fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from the Ministry of Children and Youth Services and Ministry of the Attorney General are based on amounts approved by the Province of Ontario.

Kenora-Patricia Child and Family Services Summary of Significant Accounting Policies

March 31, 2011

Financial Instruments

The organization recognizes and measures financial assets and financial liabilities on the Statement of Financial Position when they become a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a settlement date basis. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, loans and receivables, held to maturity, available for sale or other financial liabilities.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable repayment dates, usually with interest, that are not debt securities or instruments classified as held for trading on initial recognition. Accounts receivable and due from Ministry of Children and Youth Services have been classified as loans and receivables. These instruments are initially recognized at fair value including direct and incremental transaction costs. They are subsequently valued at amortized cost using the effective interest method less any provision for impairment.

Held for Trading

This category includes derivatives and any financial instruments acquired principally for the purpose of selling or repurchasing in the near term. Any financial instrument can be classified as held for trading as long as reliable fair values are readily available.

The only financial instrument included in this category is cash and bank indebtedness. Transaction costs are expensed in the Statement of Operations. Held for Trading instruments are measured at fair value and gains and losses arising from changes in fair value are recorded in the Statement of Operations.

Held to Maturity

Held to maturity investments include financial assets with fixed or determinable payments that the organization's management has the intention and ability to hold to maturity. They are initially recognized at fair value including direct transaction costs. They are subsequently valued at amortized cost using the effective interest method less any provision for impairment. As at March 31, 2011, the organization had not designated any instruments in the held to maturity category.

Kenora-Patricia Child and Family Services Summary of Significant Accounting Policies

March 31, 2011

Financial Instruments
- continued

Available for Sale

Available for sale assets are financial assets that are designated as available for sale or are not categorized into any of the other categories described above. They are initially recognized at fair value including direct and incremental transaction costs. They are subsequently measured at fair value with gains and losses included in the Statement of Operations. For instruments such as investments in equity instruments that do not have a quoted market price in an active market, they are measured at cost less any provisions for impairment. At year end, the organization had no assets designated as available for sale.

Other Financial Liabilities

Other financial liabilities are non-derivative financial liabilities and include accounts payable and long term debt. These instruments are initially recognized at fair value. Transaction costs are expensed as incurred. They are subsequently measured at amortized cost using the effective interest method.

Fund Accounting

The assets, liabilities, revenues and expenditures related to program delivery and administrative activities are reported in the Operating Fund.

The Capital Asset Fund reports the assets, liabilities, revenues and expenditures relating to the organization's capital assets.

The assets, liabilities, revenues and expenditures related to donations and other non-child welfare revenue are reported in the Building Reserve fund. These funds are unrestricted and may be utilized as per Board discretion.

The Trust Funds report the activities relating to the bequests made by Alexander Garden Stuart and Joseph Sznopasek. The Stuart Trust Fund was established to provide educational opportunities for children who were in care of the Agency. Under provision of the trust agreement, only the investment income from the Fund can be utilized for this purpose.

The Joseph Sznopasek Trust Fund was established to assist the orphans of Kenora.

Kenora-Patricia Child and Family Services Summary of Significant Accounting Policies

March 31, 2011

Capital Assets In addition to expensing the capital assets as noted in the Basis of Accounting Policy, capital assets are also recorded in the Capital Asset Fund at cost with an offsetting entry to Net Assets Invested in Capital Assets. Amortization is provided on a straight line basis over the assets' estimated useful lives and is charged against Net Assets Invested in Capital Assets as follows:

Buildings	40 years
Parking lot	20 years
Furniture and equipment	20 years
Vehicles	10 years
Computer equipment	3 and 10 years

Vacation Pay In accordance with guidelines from the Ministry of Children and Youth Services, accrued vacation pay is not recorded in the financial statements until paid.

Employee Future Benefits
Pension Plan
All full time, regular employees of the organization are members of the Ontario Municipal Employees Retirement System which is a multi-employer final average pay contributory plan. This plan is treated as a defined contribution plan and the cost of the plan is expensed as earned by the employees.

Other Employee Benefits
The organization provides health, dental and life insurance benefits to its full time, regular employees including retirees. No provision is made to record the liability for retirement benefits accruing over the working lives of employees. The benefits are expensed when paid.

Use of Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Kenora-Patricia Child and Family Services Summary of Significant Accounting Policies

March 31, 2011

New Accounting Pronouncements

Accounting Standards for Not-for-Profit Organizations (NPO)

In December 2010, the Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) issued new standards for not-for-profit organizations (NPOs) as follows:

For non-government (private sector) NPOs, they have a choice of:

1. International Financial Reporting Standards ("IFRS") or
2. Accounting Standards for NPOs (which is essentially the Accounting Standards for Private Enterprises with the current 4400 series of NPO specific standards added with some minor changes)

For government (public sector) NPOs they have a choice of:

1. Public Sector Accounting standards with the current series of NPO-specific standards added with some minor changes; or
2. Public Sector Accounting standards.

The Boards require NPOs to adopt their respective standards for year ends beginning on or after January 1, 2012; early adoption is allowed. Until the date of transition to the new standards, all NPOs will continue to follow the current Canadian Institute of Chartered Accountants Handbook - Accounting Part V - Pre-Changeover Standards.

Kenora-Patricia Child and Family Services Notes to Financial Statements

March 31, 2011

1. Cash

The organization's bank accounts are held at one chartered bank. The accounts earn interest at 2.25% below prime. The organization has an authorized revolving line of credit of \$400,000. The line of credit is secured by a general security agreement. Interest is at prime.

2. Accounts Receivable

	2011	2010
Other agencies	\$ 744,666	\$ 550,664
Ministry of Agriculture, Food and Rural Affairs	164,656	37,337
Children's Special Allowance	38,352	28,878
GST/HST	274,488	34,325
Miscellaneous	39,095	59,020
	\$ 1,261,257	\$ 710,224

3. Due from the Ministry of Children and Youth Services

	2011	2010
Block funding	\$ -	\$ 4,855
Amalgamation One Time	189,052	-
Prior year deficit funding	36,784	-
Funding holdback	100,000	407,500
Fourth quarter	28,187	-
	\$ 354,023	\$ 412,355

Kenora-Patricia Child and Family Services Notes to Financial Statements

March 31, 2011

4. Capital Assets

	2011		2010	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 564,882	-	\$ 564,882	\$ -
Construction in progress	2,246,198	-	-	-
Buildings				
- Cameron Bay Children's Centre	3,274,051	1,718,871	3,274,051	1,637,020
- Our Lady of the Valley	290,685	10,324	206,494	5,162
- Red Lake Multi-Use Facility	971,152	364,179	971,152	339,900
- 1034 Park Street	1	-	1	-
- Dryden - 175 West River	774,230	96,780	774,230	77,424
- Dryden - 119 Orvis Street	224,137	22,412	224,138	16,809
- Dryden - 176 Third Street	276,934	27,692	276,934	20,769
- Dryden - 77 Wabigoon Drive	145,987	10,950	145,987	7,300
Parking lot	86,834	32,370	86,834	28,028
Vehicles	34,476	3,448	34,476	-
Furniture and equipment	1,355,197	848,209	1,262,484	812,612
Computer equipment	882,955	657,036	778,243	602,172
	<u>11,127,719</u>	<u>3,792,271</u>	<u>8,599,906</u>	<u>3,547,196</u>
Assets held for sale:				
Birchcliff - land	28,500	-	28,500	-
- buildings	483,525	370,227	483,525	370,227
	<u>\$ 11,639,744</u>	<u>\$ 4,162,498</u>	<u>\$ 9,111,931</u>	<u>\$ 3,917,423</u>
Net book value		<u>\$ 7,477,246</u>		<u>\$ 5,194,508</u>

The Red Lake Multi-Use Facility is owned jointly with Patricia Centre for Children and Youth.

5. Accounts Payable

	2011	2010
Trade and other	\$ 1,050,303	\$ 772,610
Accrued salaries and benefits	132,099	848,112
	<u>\$ 1,182,402</u>	<u>\$ 1,620,722</u>

Kenora-Patricia Child and Family Services Notes to Financial Statements

March 31, 2011

6. Government Contributions Repayable

	<u>2011</u>	<u>2010</u>
Ministry of Children and Youth Services		
Child Welfare - 2009	\$ -	\$ 21,000
Ministry of the Attorney General	-	356
	<u>\$ -</u>	<u>\$ 21,356</u>

7. Deferred Contributions

Deferred contributions consist of government and other funding received during the year and in prior years which is to be utilized in subsequent years.

	<u>2011</u>	<u>2010</u>
Children Day Camp Lottery funds	\$ 194	\$ 193
Ontario Child Benefit Equivalent funds	<u>175,868</u>	<u>145,916</u>
	<u>\$ 176,062</u>	<u>\$ 146,109</u>

Kenora-Patricia Child and Family Services Notes to Financial Statements

March 31, 2011

8. Long Term Debt

	2011	2010
Mortgage payable at \$5,316 monthly with interest at 4.92%, secured by a general security agreement, collateral mortgage on land and building (175 West River Road, Dryden) and assignment of fire insurance, maturing October 2015	\$ 666,324	\$ 694,132
Term loan at \$1,667 monthly with interest at prime, secured by a general security agreement, collateral mortgage on land and building (176 Third Street, Dryden) and assignment of fire insurance, maturing April 2012	667	28,667
Mortgage payable at \$1,667 monthly with interest at prime, secured by a general security agreement, collateral mortgage on land and building (77 Wabigoon Drive, Dryden) and assignment of fire insurance, maturing May 2013	143,334	163,335
Demand interim construction facility payable interest only at prime, secured by a general security agreement, collateral mortgage on land and building (Valley Drive Home, Kenora) and assignment of fire insurance, repayable not later than May 31, 2011	831,982	-
Term loan payable at \$2,500 monthly with interest at prime, secured by land and building, maturing September 2010	-	287,500
	1,642,307	1,173,634
Current portion	886,932	1,021,631
	\$ 755,375	\$ 152,003

The estimated principal repayments due in the next five years are as follows:

2012	\$ 886,932
2013	157,159
2014	35,510
2015	37,278
2016	525,427

Kenora-Patricia Child and Family Services Notes to Financial Statements

March 31, 2011

9. Externally Restricted Fund Balance

	Stuart Trust Fund	Joseph Sznopasek Trust Fund	2011	2010
Amount available to children for educational and other purposes	\$ 3,945	\$ 95,622	\$ 99,567	\$ 100,282
Original endowment amount which must remain intact	25,000	-	25,000	25,000
	\$ 28,945	\$ 95,622	\$ 124,567	\$ 125,282

10. Commitments and Contingent Liabilities

a) Lease Commitments

Kenora-Patricia Child and Family Services has entered into agreements to lease equipment and properties for various periods up to 2015. The annual lease commitments in effect at March 31, 2011 for the four years are as follows:

	2012	2013	2014	2015
Office equipment	\$ 1,584	\$ 1,584	\$ 1,584	\$ 264
Premises	68,484	62,784	4,757	-
	\$ 70,068	\$ 64,368	\$ 6,341	\$ 264

b) Vacation Pay

As at March 31, 2011, unrecorded vacation pay amounted to \$589,927 (2010 - \$599,532).

c) Employee Future Benefits

The organization has a liability with respect to the health, dental and life insurance benefits that it provides to its employees after retirement. All non-union full time employees with more than 20 years of continuous service are eligible. The benefit does not extend to employees hired after March 21, 2011. The amount of the liability has not been disclosed as it has not been actuarially determined.

The estimated cost of the benefits to the Agency for the five years ending March 31, 2016 is as follows:

2012	\$25,781
2013	32,419
2014	50,540
2015	52,342
2016	53,243

Kenora-Patricia Child and Family Services Notes to Financial Statements

March 31, 2011

11. Pension Plan

Contributions to the Ontario Municipal Employee Retirement System during the year were \$607,309 (2010 - \$630,788).

12. Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, accounts payable and government contributions repayable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

i) Credit Risk

The organization's cash and cash equivalents are all held at a major institution. The organization's accounts receivables are made up of a small number of balances from third parties in the same industry.

ii) Interest Rate Risk

The organization's exposure to interest rate risk is minimal. The long-term debt bears interest at rate varying from prime to fixed interest rates at 4.92%.

iii) Foreign Currency Risk

The organization is not exposed to foreign currency risk.

13. Public Sector Salary Disclosure

The following is provided in accordance with the Public Sector Salary Disclosure Act, 1996:

	Salary	Benefits
Bill Johnson, Director of Finance	\$ 102,437	\$918
William Leonard, Executive Director	124,132	1,021
Patricia Neira, Director of Services	102,347	918
Robert Onysko, Director of Services	102,711	918

14. Economic Dependence

The organization receives the majority of its revenue from the Ministry of Children and Youth Services. The continuance of the organization is dependent upon this funding.

Kenora-Patricia Child and Family Services Notes to Financial Statements

March 31, 2011

15. Subsequent Events

Subsequent to year-end, the organization amalgamated with Family and Children's Services of the District of Rainy River (FACS).

Subsequent to year-end, the organization entered into an agreement of purchase and sale to sell its Birchcliff Property for total proceeds of \$700,000.

16. Trusts

The organization is a sponsor for Registered Education Savings Plans (RESPs) for children in care. As at March 31, 2011, RESPs under administration were \$108,576 (2010 - \$ 68,320). The RESPs are not consolidated in these financial statements.

17. Capital Disclosure

The organization considers its capital to be its net assets. The organization's objective when managing its capital is to provide sufficient funds to cover annual overhead expenses. Periodic monitoring is carried out to ensure that the organization's capital is maintained at an appropriate level.



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Auditor's Comments on Supplementary Financial Information

To the Board of Directors
Kenora-Patricia Child and Family Services

We have audited the financial statements of Kenora-Patricia Child and Family Services as at March 31, 2011 and reported thereon dated June 17, 2011. The financial schedules presented hereinafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, they are fairly presented in all material respects in relation to the financial statements taken as a whole.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Kenora, Ontario
June 17, 2011

**Kenora-Patricia Child and Family Services
Schedule 1 - Revenue and Expenditure
Child Welfare**

For the year ended March 31	Budget	2011 Actual	2010 Actual
Revenue			
Ministry of Children and Youth Services	\$ 12,520,083	\$ 12,548,472	\$ 12,119,268
Reduction due to surplus	-	(313)	(844)
	<u>12,520,083</u>	<u>12,548,159</u>	<u>12,118,424</u>
Expenditure (Schedule 8)			
Salaries	5,620,000	5,599,045	5,860,915
Employee benefits	1,228,056	1,236,534	1,258,723
Travel	716,740	639,134	657,737
Training and recruitment	102,230	72,141	98,856
Building occupancy	513,000	469,315	468,635
Professional services - non client	70,000	45,479	84,909
Program expense	74,000	44,346	71,141
Boarding home payments	8,287,179	8,848,243	11,246,829
Professional services - client	85,498	50,717	57,902
External legal costs	185,000	186,771	178,950
Adoption probation and subsidy	178,000	174,206	175,488
Clients' personal needs	478,062	507,855	528,337
Health and related	119,997	130,320	106,609
Financial assistance	12,000	10,477	3,909
Promotion and publicity	40,000	30,779	28,684
Office administration	240,000	251,417	254,336
Capital acquisitions	40,000	-	9,030
Miscellaneous	45,000	91,137	37,781
Technology	488,000	312,988	484,977
	<u>18,522,762</u>	<u>18,700,904</u>	<u>21,613,748</u>
Expenditure recoveries and other	<u>6,002,679</u>	<u>6,152,745</u>	<u>9,495,324</u>
	<u>12,520,083</u>	<u>12,548,159</u>	<u>12,118,424</u>
Excess of revenue over expenditure for the year	\$ -	\$ -	\$ -

**Kenora-Patricia Child and Family Services
Schedule 2 - Revenue and Expenditure
Preparation for Independence**

For the year ended March 31	Budget	2011 Actual	2010 Actual
Revenue			
Ministry of Children and Youth Services	\$ 78,398	\$ 78,398	\$ 78,398
Expenditure			
Salaries	59,247	60,238	60,372
Employee benefits	12,154	12,355	11,838
Travel	500	566	401
Building and occupancy	3,192	3,192	3,192
Program expense	1,805	762	1,004
Office administration	1,500	1,285	1,591
	<u>78,398</u>	<u>78,398</u>	<u>78,398</u>
Excess of revenue over expenditure for the year	\$ -	\$ -	\$ -

**Kenora-Patricia Child and Family Services
Schedule 3 - Revenue and Expenditure
Associate Living Supports**

For the year ended March 31	Budget	2011 Actual	2010 Actual
Revenue			
Ministry of Children and Youth Services	\$ 226,260	\$ 225,260	\$ 225,260
Expenditure			
Salaries	91,920	93,052	85,082
Employee benefits	13,550	13,249	12,049
Travel	10,000	17,478	10,144
Building and occupancy	3,840	3,840	3,840
Board home payments	98,041	83,669	101,126
Client personal needs	6,500	6,383	12,400
Health and related	1,500	3,251	619
Office administration	909	1,700	-
Technology	-	2,638	-
	<u>226,260</u>	<u>225,260</u>	<u>225,260</u>
Excess of revenue over expenditure for the year	\$ -	\$ -	\$ -

**Kenora-Patricia Child and Family Services
Schedule 4- Revenue and Expenditure
Amalgamation One-time Costs**

For the year ended March 31	Budget	2011 Actual	2010 Actual
Revenue			
Ministry of Children and Youth Services	\$ 189,052	\$ 189,052	\$ -
Expenditure			
Benefits	1,000	-	-
Travel	43,628	13,442	-
Training and recruitment	2,000	15,608	-
Professional services - non-client	46,449	27,068	-
Professional services - client	5,000	12,119	-
Promotion and publicity	-	274	-
Office administration	13,000	1,653	-
Replacements	2,000	-	-
Technology	36,975	28,975	-
Family and Children's Services of the District of Rainy River Share of funding	39,000	89,913	-
	189,052	189,052	-
Excess of revenue over expenditure for the year	\$ -	\$ -	\$ -

**Kenora-Patricia Child and Family Services
Schedule 5 - Revenue and Expenditure
Partner Facility Renewal Funding**

For the year ended March 31	Budget	2011 Actual	2010 Actual
Revenue			
Ministry of Children and Youth Services - Energy Efficiency	\$ 80,400	\$ 80,400	\$ -
Expenditure			
Capital acquisitions and renovations	80,400	80,400	-
Excess of revenue over expenditure for the year	\$ -	\$ -	\$ -

**Kenora-Patricia Child and Family Services
Schedule 6 - Revenue and Expenditure
Enhanced Serious Occurrence Reporting Contract**

For the year ended March 31	Budget	2011 Actual	2010 Actual
Revenue			
Ministry of Children and Youth Services	\$ 53,112	\$ 53,112	\$ 53,112
Expenditure			
Program expense	53,112	57,276	53,112
Excess of revenue over expenditure (expenditure over revenue) for the year	\$ -	\$ (4,164)	\$ -

**Kenora-Patricia Child and Family Services
Schedule 7 - Revenue and Expenditure
Partner Assault Response Program**

For the year ended March 31	Budget	2011	2010
Revenue			
Ministry of the Attorney General	\$ 58,017	\$ 58,017	\$ 58,017
Expenditure			
Salaries	34,245	36,181	33,604
Employee benefit	5,300	4,725	5,116
Travel	1,500	1,807	3,078
Training and recruitment	2,302	1,308	2,546
Building and occupancy	8,520	8,520	9,070
Professional services - non-client	4,100	3,925	3,950
Program expense	1,500	2,530	434
Office administration	500	615	285
Client accessibility	750	-	-
Other miscellaneous	300	300	-
Technology	-	-	1,566
	59,017	59,911	59,649
Expenditure recoveries and other income	1,000	1,894	1,988
	58,017	58,017	57,661
Excess of revenue over expenditure for the year	\$ -	\$ -	\$ 356

Kenora-Patricia Child and Family Services Schedule 8 - Revenue and Expenditure Child Welfare Program Expenditures

For the year ended March 31	Non-Residential	Residential	Adoption Services	Legal Services	Infrastructure Administration	Travel Costs	Technology	Total before		2011 Total
								OSW Transformation	OSW Transformation	
Salaries	\$ 1,877,258	\$ 2,101,930	\$ 125,954	\$ 140,845	\$ 707,599	\$ -	\$ -	\$ 4,953,586	\$ 619,539	\$ 5,599,045
Employee benefits	405,382	451,543	30,437	32,708	180,308	-	-	1,100,378	130,468	1,236,534
Travel	-	-	-	-	103,054	491,149	-	594,203	44,931	639,134
Training and recruitment	1,580	50,253	-	-	20,308	-	-	72,141	-	72,141
Building occupancy	-	-	-	-	430,845	-	-	430,845	38,470	469,315
Professional services	-	-	-	-	-	-	-	-	-	-
- non-client	-	-	-	-	45,479	-	-	45,479	-	45,479
Program expense	16,073	28,228	-	-	-	-	-	44,301	45	44,346
Boarding home payments	-	-	-	-	-	-	-	-	-	-
-Agency foster	-	2,977,589	-	-	-	-	-	2,977,589	3,231,982	6,209,571
-Purchased foster/group	-	1,628,619	-	-	-	-	-	1,628,619	1,010,053	2,638,672
Professional services	186	53,117	-	-	-	-	-	53,303	(2,586)	50,717
-client	-	-	-	-	-	-	-	186,771	-	186,771
External legal costs	-	-	-	186,771	-	-	-	186,771	-	186,771
Adoption subsidies	-	-	174,206	-	-	-	-	174,206	-	174,206
Client personal needs	-	273,148	-	-	-	-	-	273,148	234,707	507,855
Health and related services	-	78,249	-	-	-	-	-	78,249	52,071	130,320
Financial assistance	10,477	-	-	-	-	-	-	10,477	-	10,477
Promotion and public	-	-	-	-	30,779	-	-	30,779	-	30,779
Office administration	-	-	-	-	237,417	-	-	237,417	14,000	251,417
Miscellaneous	-	-	-	-	91,137	-	-	91,137	-	91,137
Technology	-	-	-	-	-	-	312,988	312,988	-	312,988
	2,310,956	7,642,676	330,597	360,324	1,846,926	491,149	312,988	13,295,616	5,373,680	18,700,904
Less recoveries and other income	22,130	372,330	-	-	384,605	-	-	779,065	-	6,152,745
Net expenditures	\$ 2,288,826	\$ 7,270,346	\$ 330,597	\$ 360,324	\$ 1,462,321	\$ 491,149	\$ 312,988	\$ 12,516,551	\$ -	\$ 12,548,159

**Kenora-Patricia Child and Family Services
Schedule 9 - Revenue and Expenditure
Ontario Child Benefit Equivalent**

For the year ended March 31	2011	2010
Revenue		
Ontario Child Benefit Equivalent	\$ 115,963	\$ 108,204
Revenue deferred from previous year	145,916	49,700
Revenue deferred to subsequent year	<u>(175,868)</u>	<u>(145,916)</u>
	<u>86,011</u>	<u>11,988</u>
Expenditure		
Higher education achievement	38,988	6,060
Higher degree of resilience	23,974	5,235
Smoother transition to adulthood	2,787	-
Saving program payouts	<u>20,690</u>	<u>693</u>
	86,438	11,988
Expenditure recoveries and other income	<u>427</u>	-
	<u>86,011</u>	-
Excess of revenue over expenditure for the year	<u>\$ -</u>	<u>\$ -</u>

**Kenora-Patricia Child and Family Services
Schedule 10 - Revenue and Expenditure
Birchcliff/OLV Capital Project**

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2011</u>	<u>2010</u>
Revenue			
Ministry of Agriculture, Food and Rural Affairs	\$ 1,466,667	\$ 1,429,329	\$ 37,337
Expenditure			
Capital	<u>2,200,000</u>	<u>2,211,205</u>	<u>56,005</u>
Excess of expenditure over revenue for the year	<u>\$ (733,333)</u>	<u>\$ (781,876)</u>	<u>\$ (18,668)</u>