

LAMBTON COUNTY DEVELOPMENTAL SERVICES

Financial Statements

Year Ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Management of Lambton County Developmental Services

Opinion

We have audited the financial statements of Lambton County Developmental Services (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial information present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with the financial reporting provisions as prescribed by the funding agreement between the Organization and the Ontario Ministry of Children, Community and Social Services (the Ministry) as discussed in Note 2 A.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with 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.

The audit opinion on the financial statements for the year ended March 31, 2022 was modified because of the effects of departures from Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements for the year ended March 31, 2022 were audited by MPW Chartered Professional Accountants LLP ("MPW"). MPW merged with Melo LLP on July 1, 2022.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2 A to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization to comply with the financial reporting provisions of the agreement between the Organization and the Ministry. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the directors of the Organization and the Ministry and should not be used by parties other than the Organization or the Ministry.

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Independent Auditor's Report to the Management of Lambton County Developmental Services
(continued)

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 the financial reporting provisions as prescribed by the funding agreement between the Organization and the Ontario Ministry of Children, Community and Social Services (the Ministry) as discussed in Note 2 A, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent Auditor's Report to the Management of Lambton County Developmental Services
(continued)

- 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 Organization'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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Melo LLP

Chartered Professional Accountants
Licensed Public Accountants
Forest, Ontario
June 22, 2023

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Statement of Financial Position
March 31, 2023

	Operating Fund 2023	Capital Fund 2023	2023	2022
ASSETS				
CURRENT				
Cash	\$ 457,281	\$ -	\$ 457,281	\$ 1,211,813
Accounts receivable	177,100	-	177,100	165,895
Inventory	25,316	-	25,316	25,914
Prepaid expenses	424,899	-	424,899	525,880
HST recoverable	132,552	-	132,552	102,777
Due from LCDS Foundation (Note 10)	152,347	-	152,347	-
	1,369,495	-	1,369,495	2,032,279
PROPERTY AND EQUIPMENT (Note 4)	-	6,340,640	6,340,640	6,510,981
DUE FROM BUILDING FUND	1,027,393	-	1,027,393	1,027,393
RESTRICTED CASH	73,230	-	73,230	72,502
	\$ 2,470,118	\$ 6,340,640	\$ 8,810,758	\$ 9,643,155
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$ 1,536,142	\$ -	\$ 1,536,142	\$ 2,186,639
Wages payable	646,176	-	646,176	546,300
Deferred revenue	5,372	-	5,372	156,778
Due to LCDS Foundation	-	-	-	2,772
Current portion of long term debt (Note 7)	83,384	38,074	121,458	129,714
Current portion of capital leases	-	578	578	6,931
	2,271,074	38,652	2,309,726	3,029,134
LONG TERM DEBT (Note 7)	451,930	491,086	943,016	1,064,281
OBLIGATIONS UNDER CAPITAL LEASE	-	-	-	1,669
DUE TO OPERATING FUND	-	1,027,393	1,027,393	1,027,393
RESTRICTED DEFERRED REVENUE	20,704	-	20,704	19,923
	2,743,708	1,557,131	4,300,839	5,142,400

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LAMBTON COUNTY DEVELOPMENTAL SERVICES

Statement of Financial Position *(continued)*

March 31, 2023

	Operating Fund 2023	Capital Fund 2023	2023	2022
NET ASSETS				
Fund balances	(326,169)	(389,488)	(715,657)	(849,564)
Net Assets Invested in Capital				
Assets	-	5,172,997	5,172,997	5,297,740
Restricted	52,579	-	52,579	52,579
	<u>(273,590)</u>	<u>4,783,509</u>	<u>4,509,919</u>	<u>4,500,755</u>
	<u>\$ 2,470,118</u>	<u>\$ 6,340,640</u>	<u>\$ 8,810,758</u>	<u>\$ 9,643,155</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Statement of Changes in Net Assets
Year Ended March 31, 2023

	Operating Fund 2023	Building Fund 2023	2023	2022
Unrestricted Net Assets				
Balance beginning of year	\$ (456,801)	\$ (392,763)	\$ (849,564)	\$ (741,350)
Excess (Deficiency) of revenues over expenses	130,632	(121,468)	9,164	(163,952)
Loss on disposal of property and equipment	-	170,341	170,341	276,556
Capital expenditures paid out of revenue	-	(45,598)	(45,598)	(220,818)
	(326,169)	(389,488)	(715,657)	(849,564)
Net Assets Invested in Capital Assets				
Balance - beginning of year	-	5,297,740	5,297,740	5,023,610
Loss on disposal of assets	-	(170,341)	(170,341)	(276,556)
Purchase of property and equipment	-	-	-	329,868
Repayments of debt	-	45,598	45,598	220,818
	-	5,172,997	5,172,997	5,297,740
Restricted Net Assets				
Balance - beginning of the year	52,579	-	52,579	52,579
NET ASSETS - END OF YEAR	\$ (273,590)	\$ 4,783,509	\$ 4,509,919	\$ 4,500,755

See accompanying notes to the financial statements

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Statement of Revenues and Expenses
Year Ended March 31, 2023

	Operating Fund 2023	Capital Fund 2023	2023	2022
REVENUES				
MCCSS funding	\$ 13,964,405	\$ -	\$ 13,964,405	\$ 12,006,588
Other grants and subsidies	433,773	-	433,773	370,867
Rent	381,870	54,887	436,757	433,334
Sales - Petrolia Enterprises	289,914	-	289,914	299,864
Other income	292,487	-	292,487	346,265
Donations and fundraising	155,999	-	155,999	69,000
	<u>15,518,448</u>	<u>54,887</u>	<u>15,573,335</u>	<u>13,525,918</u>
EXPENSES				
Advertising and promotion	35,797	-	35,797	29,266
Interest and bank charges	3,898	6,014	9,912	36,230
Interest on mortgages	29,034	-	29,034	11,092
Office	148,852	-	148,852	122,922
COVID-19 costs	32,039	-	32,039	80,262
Program costs	248,447	-	248,447	279,179
Quality enhancement	140,049	-	140,049	436,333
Buildings	1,588,708	-	1,588,708	1,459,817
Client purchased services	1,212,246	-	1,212,246	1,120,681
Purchased Services	102,387	-	102,387	49,110
Other expenses and fundraising	421,372	-	421,372	180,774
Equipment repairs and maintenance	715	-	715	3,016
Wages and benefits	11,183,316	-	11,183,316	9,379,199
Travel	240,956	-	240,956	225,433
	<u>15,387,816</u>	<u>6,014</u>	<u>15,393,830</u>	<u>13,413,314</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS BEFORE OTHER ITEM	130,632	48,873	179,505	112,604
OTHER ITEM				
Loss on disposal of property and equipment	-	(170,341)	(170,341)	(276,556)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 130,632</u>	<u>\$ (121,468)</u>	<u>\$ 9,164</u>	<u>\$ (163,952)</u>

See accompanying notes to the financial statements

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Statement of Cash Flows
Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 9,164	\$ (163,952)
Item not affecting cash:		
Loss on disposal of property and equipment	170,341	276,556
	<u>179,505</u>	<u>112,604</u>
Changes in non-cash working capital:		
Accounts receivable	(11,205)	(10,599)
Inventory	598	(3,157)
Accounts payable and accrued liabilities	(650,497)	1,041,886
Deferred revenue	781	1,837
Prepaid expenses	100,981	(468,874)
HST recoverable	(29,775)	(27,847)
Wages payable	99,876	(449,044)
Deferred revenue	(151,406)	(66,793)
Due to LCDS Foundation	(155,119)	(365)
Due to Nainstay Non-Profit Building Inc.	-	(18,335)
	<u>(795,766)</u>	<u>(1,291)</u>
Cash flows from (used by) operating activities	<u>(616,261)</u>	<u>111,313</u>
FINANCING ACTIVITIES		
Repayment of long term debt	(129,521)	(213,887)
Repayment of obligations under capital lease	(8,022)	(6,931)
	<u>(137,543)</u>	<u>(220,818)</u>
DECREASE IN CASH FLOW	<u>(753,804)</u>	<u>(109,505)</u>
CASH - BEGINNING OF YEAR	<u>1,284,315</u>	<u>1,393,820</u>
CASH - END OF YEAR	<u>\$ 530,511</u>	<u>\$ 1,284,315</u>
CASH CONSISTS OF:		
Cash	\$ 457,281	\$ 1,211,813
Restricted cash	73,230	72,502
	<u>\$ 530,511</u>	<u>\$ 1,284,315</u>

See accompanying notes to the financial statements

LAMBTON COUNTY DEVELOPMENTAL SERVICES

Notes to Financial Statements

Year Ended March 31, 2023

1. PURPOSE OF THE ORGANIZATION

Lambton County Developmental Services (the "Organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization was founded in 1955 to provide support services to individuals with developmental disabilities residing in the County of Lambton.

2. BASIS OF SIGNIFICANT ACCOUNTING POLICIES

- A These financial statements are the representation of management prepared in accordance with accounting policies prescribed by the Ontario Ministry of Children, Community and Social Services (the Ministry). Readers should be cautioned that the basis of accounting used in these financial statements materially differs from Canadian accounting standards for not for profit organizations as follows:

Capital assets

The funding model utilized by the Ministry in providing funds to the Organization provides for the funding of capital expenditures. Capital expenditures of the Operating Fund, with the exception of land and building, are recorded as Operating Fund expenditures in the year incurred. In addition, for capital assets funded by the Ministry with mortgages payable for which mortgage payments are funded by the Ministry, amortization is reported in an amount equal to the principal payments on the mortgage.

Accrued Liabilities

The modified accrual accounting method requires the inclusion of short term accruals of revenue and normal operating expenditures in the determination of operating results for a given time period. Short term accruals are defined as payable or receivable within 30 days of the budget year end.

Vacation Pay Accrual

The Ministry funding model accounts for vacation pay on a cash basis. As a result, a vacation pay accrual is not recorded in these financial statements.

Long Term Debt

The amount of principal repaid during the year is charged to reduce the carrying value of the debt, and is added to fund balances.

Revenue Recognition

Contributions received for capital assets are recognized in the year received as revenue instead of being deferred and amortized on the same basis as the related capital asset.

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LAMBTON COUNTY DEVELOPMENTAL SERVICES
Notes to Financial Statements
Year Ended March 31, 2023

2. BASIS OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Building Fund reports the assets, liabilities, revenues, and expenses related to LCDS's capital assets. It provides for the use of assets to various operating programs in return for recovery payments equal to the principal payments required on the assets' related loans.

Payments on loans reported in Building Fund liabilities are recorded as expenses of the Operating Fund. The principal portion of the payments is shown in the Building Fund as receipts from the Operating Fund.

Where the full purchase price of a long-lived asset is funded by a program, the purchase price is reported as a direct operating expense of the Operating Fund and as receipts from operating funds to the Building Fund.

(b) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(c) Donations

Donations specifically contributed for operating purposes are recognized as revenue of the Operating Fund. Donations made for capital purposes are recorded as revenue of the Building Fund.

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty in determining the fair value of volunteer hours, contributed services are not recognized in the financial statements.

(d) Capital Assets and Amortization

Certain capital assets purchased are expensed when acquired. Other capital assets purchased are capitalized to the extent the cost exceeds any grants or subsidies received and are recorded in the Building Fund.

The Organization does not record amortization on any capital assets as management believes this does not provide meaningful additional information.

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LAMBTON COUNTY DEVELOPMENTAL SERVICES
Notes to Financial Statements
Year Ended March 31, 2023

2. BASIS OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Organization's financial instruments consist of cash, accounts receivable, due from LCDS Foundation, accounts payable and accrued liabilities, long-term debt and capital leases. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency, liquidity, commodity or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The carrying amount of long-term debt and leases approximates fair value.

All secured financial liabilities have a combined carrying amount of \$1,065,052 (2022 - \$1,202,595).

(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period, valuation of AD and inventory, property and equipment. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. ECONOMIC DEPENDENCE

LCDS received approximately 93% of its total revenue for the year (2022 - 89%) from the Ministry of Children, Community and Social Services. It would be difficult to continue operations without the support of these funds.

4. CAPITAL ASSETS

	2023	2022
Land and buildings	\$ 5,476,061	\$ 5,525,242
Motor vehicles	274,284	388,437
Furniture and fixtures	359,189	366,196
Capital leases of buildings - cost	231,106	231,106
	<u>\$ 6,340,640</u>	<u>\$ 6,510,981</u>

5. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Notes to Financial Statements
Year Ended March 31, 2023

6. BANK DEBT

In additions to various fixed term loans described in Note 7, RBC Royal Bank has agreed to lend the Organization the following credit facilities:

A revolving demand facility of \$200,000. Interest is at the Royal Bank Prime rate + 0.9%, payable monthly in revolving increments of \$5,000. At year end, there was no balance outstanding on this facility (2021 - \$Nil).

A revolving term facility in the amount of \$149,999, the terms of which are set as and when drawn upon. At year end there was no balance outstanding.

Collateral for the Organization's debts are as follows:

- a) General security agreement constituting a first ranking security interest in all personal property of the Borrower;
- b) Collateral mortgage in the amount of \$490,000, constituting a first fixed charge on the lands and improvements located at 4189 Petrolia Line, Petrolia, ON, supported by Priority Agreement between the Bank, the Borrower and the Corporation of the County of Lambton;
- c) Collateral mortgage in the amount of \$1,120,000, constituting a first fixed charge on the lands and improvements located at 339 and 339 1/2 Centre Street, Petrolia, ON;
- d) Collateral mortgage in the amount of \$164,000, constituting a second fixed charge on the lands and improvements located at 3097 Main Street, Oil City, ON;
- e) Collateral mortgage in the amount of \$132,000, constituting a second fixed charge on the lands and improvements located at 432 Albany Street, Petrolia, ON;
- f) Certificate of insurance evidencing fire and other perils coverage on the property located at 3097 Main Street, Oil City, ON, showing the Bank as first mortgage;
- g) Certificate of insurance evidencing fire and other perils coverage on the property located at 4189 Petrolia Line, Petrolia, ON, showing the Bank as first mortgage;
- h) Certificate of insurance evidencing fire and other perils coverage on the property located at 339 and 339 1/2 Centre Street, Petrolia, ON, showing the Bank as first mortgage;
- i) Certificate of insurance evidencing fire and other perils coverage on the property located at 432 Albany Street, Petrolia, ON, showing the Bank as first mortgage.

LAMBTON COUNTY DEVELOPMENTAL SERVICES

Notes to Financial Statements

Year Ended March 31, 2023

7. LONG TERM DEBT

	2023	2022
RBC Royal Bank loan bearing interest at 3.93% per annum, repayable in monthly blended payments of \$8,578. The loan matures on December 21, 2026 and is secured by lands and improvements described in Note 6 which have a carrying value of \$4,325,670.	\$ 535,314	\$ 615,474
RBC Royal Bank loan bearing interest at 4% per annum, repayable in monthly blended payments of \$1,050. The loan matured on March 25, 2023 and was secured by lands and improvements described in Note 6 which have a carrying value of \$4,325,670.	-	11,786
Less: current portion of Operating Fund debt	(83,384)	(92,139)
Long term debt of the Operating Fund	451,930	535,121
Habitat for Humanity - Sarnia/Lambton loan bearing interest at 0% per annum, repayable in monthly blended payments of \$641. The loan matures on October 1, 2041 and is secured by land and improvements at 774 Devine St., Sarnia which has a carrying value of \$173,511.	142,743	150,435
LCDS Foundation loan bearing interest at 4.12% per annum, repayable in monthly blended payments of \$1,491. The loan matures on August 18, 2032 and is secured by land and improvements at 433 King St., Petrolia which has a carrying value of \$303,339.	139,491	151,374
Habitat for Humanity - Sarnia/Lambton loan bearing interest at 0% per annum, repayable in monthly blended payments of \$500. The loan matures on April 10, 2042 and is secured by land and improvements at 386 Northridge St., Sarnia which has a carrying value of \$165,085.	114,085	120,085
Habitat for Humanity - Sarnia/Lambton loan bearing interest at 0% per annum, repayable in monthly blended payments of \$1,000. The loan matures on August 1, 2032 and is secured by land and improvements at 388 Northridge St., Sarnia which has a carrying value of \$268,021.	132,841	144,841
Less: current portion of Building Fund debt	(38,074)	(37,575)
Long term debt of the Building Fund	491,086	529,160
	\$ 943,016	\$ 1,064,281

Principal repayment terms are approximately:

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LAMBTON COUNTY DEVELOPMENTAL SERVICES
Notes to Financial Statements
Year Ended March 31, 2023

7. LONG TERM DEBT (continued)

2024	\$	122,036
2025		125,315
2026		129,327
2027		314,718
2028		40,288
Thereafter		<u>211,332</u>
	\$	<u>943,016</u>

8. LEASE COMMITMENTS

The Organization leases premises for use as residences from Nainstay Non-Profit Buildings Inc., a related party. Annual lease payments are \$172,938.

In 2008, the Organization entered into a capital lease with The Municipality of Lambton Shores for property located on Ann Street in Forest, Ontario. No amortization is taken on the property according to the Organization's policy outlined in Note 3. The lease is interest-free and is secured by the property under lease.

Future minimum lease payments as at March 31, 2023, are as follows:

2024	\$	<u>578</u>
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9. RELATED PARTY TRANSACTIONS

The following is a summary of the Organization's related party transactions:

	2023	2022
LCDS Foundation		
<i>Foundation incorporated for the support of LCDS</i>		
Principal and interest payments	\$ (17,897)	\$ (17,897)
Recovery of fund development costs	30,000	30,000
Donations received from the Foundation	152,876	84,970
	<u>164,979</u>	<u>97,073</u>
Nainstay Non-Profit Building Inc.		
<i>Owns properties used in LCDS program delivery</i>		
Rents paid	(172,938)	(163,130)
Management fees received	60,000	60,000
	<u>(112,938)</u>	<u>(103,130)</u>
	<u>\$ 52,041</u>	<u>\$ (6,057)</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Notes to Financial Statements
Year Ended March 31, 2023

10. DUE TO RELATED PARTY

	2023	2022
Due from related party		
Due from LCDS Foundation	\$ 152,347	\$ -

	2023	2022
Due to related party		
Due to LCDS Foundation	\$ -	\$ 2,772

Advances from a related organizations are non-interest bearing and have no set repayment terms.

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Statement of Revenue and Expenses - Operating Fund
Year Ended March 31, 2023

(Schedule 1)

	Administration	Group Homes	Community Participation	SIL	Host Family	Other Programs (Schedule 2)	Total	Total
	2023	2023	2023	2023	2023	2023	2023	2022
REVENUES								
MCCSS funding	\$ -	\$ 7,461,769	\$ 2,293,885	\$ 1,599,764	\$ 1,832,703	\$ 776,284	\$ 13,964,405	\$ 12,006,588
Other grants and subsidies	-	4,500	416,224	-	-	13,049	433,773	370,867
Other income	142,008	-	22,828	5,339	21,292	101,020	292,487	346,266
Sales - Petrolia Enterprises	-	-	207,560	-	-	82,354	289,914	299,864
Rent	47,028	239,947	-	15,256	-	79,639	381,870	382,814
Donations and fundraising	33,123	122,876	-	-	-	-	155,999	-
	222,159	7,829,092	2,940,497	1,620,359	1,853,995	1,052,346	15,518,448	13,406,399
ADMINISTRATIVE ALLOCATIONS	1,035,325	(573,617)	(172,042)	(118,102)	(113,344)	(58,222)	(2)	-
EXPENSES								
Advertising and promotion	31,420	85	544	-	-	3,748	35,797	29,267
Buildings	144,673	807,812	236,199	91,373	7,800	300,851	1,588,708	1,238,163
COVID-19 costs	18,910	-	-	-	-	13,129	32,039	80,262
Client purchased services	-	87,875	481,676	54,046	501,856	86,794	1,212,247	1,120,681
Equipment repairs and maintenance	-	-	715	-	-	-	715	3,016
Interest and bank charges	3,899	-	-	-	-	-	3,899	4,000
Interest on mortgages	6,263	-	-	-	-	22,771	29,034	11,092
Office	39,123	48,502	13,080	21,297	16,200	10,650	148,852	122,922
Other expenses and fundraising	94,762	140,587	73,171	69,206	20,496	23,150	421,372	180,774
Program costs	13,027	55,557	115,185	6,177	13,624	44,876	248,446	150,661
Purchased Services	102,387	-	-	-	-	-	102,387	40,383
Quality enhancement	-	88,597	21,851	4,982	16,240	8,379	140,049	436,333
Travel	4,137	51,095	148,497	14,979	13,783	8,465	240,956	225,433
Wages and benefits	1,596,134	6,349,322	1,041,207	951,995	703,151	541,507	11,183,316	10,305,319
	2,054,735	7,629,432	2,132,125	1,214,055	1,293,150	1,064,320	15,387,817	13,948,306
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (797,251)	\$ (373,957)	\$ 636,330	\$ 288,202	\$ 447,501	\$ (70,196)	\$ 130,629	\$ (541,907)

See accompanying notes to the financial statements

LAMBTON COUNTY DEVELOPMENTAL SERVICES
Statement of Revenue and Expenses - Other Programs
Year Ended March 31, 2023

(Schedule 2)

	Caregiver Respite 2023	Recreation 2023	Social Enterprise 2023	Habitat Homes 2023	Residential Relief Funding 2023	Total 2023	Total 2022
REVENUES							
MCCSS funding	\$ 12,184	\$ -	\$ -	\$ 764,100	\$ -	\$ 776,284	\$ 716,572
Other grants and subsidies	-	-	-	-	13,049	13,049	24,837
Other income	-	18,180	82,840	-	-	101,020	93,742
Sales - Petrolia Enterprises	-	-	82,354	-	-	82,354	81,056
Rent	-	-	-	79,639	-	79,639	77,832
	12,184	18,180	165,194	843,739	13,049	1,052,346	994,039
ADMINISTRATIVE ALLOCATIONS							
	(914)	-	-	(57,308)	-	(58,222)	(39,845)
EXPENSES							
Advertising and promotion	-	-	3,748	-	-	3,748	951
Buildings	-	-	125,974	174,877	-	300,851	236,747
COVID-19 costs	-	-	-	-	13,129	13,129	24,837
Client purchased services	9,098	-	-	77,696	-	86,794	62,118
Interest and bank charges	-	-	-	-	-	-	1,533
Interest on mortgages	-	-	22,771	-	-	22,771	-
Office	-	-	5,263	5,387	-	10,650	7,429
Other expenses and fundraising	-	-	5,021	13,674	4,455	23,150	10,945
Program costs	-	163	43,373	1,340	-	44,876	46,405
Quality enhancement	138	-	-	8,241	-	8,379	21,393
Travel	-	(5)	-	8,470	-	8,465	613
Wages and benefits	-	68	31,532	509,907	-	541,507	487,830
	9,236	226	237,682	799,592	17,584	1,064,320	900,801
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES							
	\$ 2,034	\$ 17,954	\$ (72,488)	\$ (13,161)	\$ (4,535)	\$ (70,196)	\$ 53,393

See accompanying notes to the financial statements