

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**

**Financial Statements**

**Year Ended March 31, 2021**

**MPW**

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
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**Year Ended March 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Lambton County Developmental Services

### *Qualified 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, 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

Note 3 describes the accounting policies with respect to the Organization's capital assets; the note indicates that the Organization expenses the cost of certain capital asset expenditures and others are capitalized to the extent the cost exceeds any grants or subsidies received and are recorded in the Building Fund and does not provide for amortization on any capital assets. In addition, capital asset balances may not be reduced for all disposals. Under ASNPO, capital assets should be capitalized and amortized over their estimated useful lives. Capital asset balances should also be reduced for disposals. No determination of amortization expense for the year or the impact of accumulated amortization or capital asset cost has been made.

In addition, vacation and sick pay are not accrued in the financial statements. Under ASNPO, vacation and sick pay should be recorded as a liability at year end. Had this occurred, additional accounts payable and accrued charges of \$667,019 (2020 - \$807,038) would have been reported in the statement of financial position.

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities from which the completeness is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to current assets, net assets, fundraising revenue, excess of revenues over expenses, or cash flows from operations for the year ended March 31, 2021.

Our audit opinion on the financial statements for the year ended March 31, 2021 is modified accordingly.

### *Emphasis on Matter - Going Concern*

We draw attention to note 10 to the financial statements, which describes the going concern assumption related to the global COVID-19 pandemic declared by the World Health Organization. Our opinion is not modified in respect of this matter.

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 qualified audit opinion.

(continues)

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

*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 ASNPO, 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.
- 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.

**Forest, Ontario  
June 15, 2021**

**MPW**  
**Chartered Professional Accountants LLP  
Licensed Public Accountants**

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**

**Statement of Financial Position**

**March 31, 2021**

	Operating Fund 2021	Building Fund 2021	Total 2021	Total 2020
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ 1,323,156	\$ -	\$ 1,323,156	\$ 209,419
Accounts receivable	155,296	-	155,296	113,230
Inventory	22,757	-	22,757	23,894
Prepaid expenses	57,006	-	57,006	104,000
HST recoverable	74,930	-	74,930	51,884
	1,633,145	-	1,633,145	502,427
CAPITAL ASSETS <i>(Note 5)</i>	-	6,457,669	6,457,669	6,685,241
DUE FROM BUILDING FUND	1,066,654	-	1,066,654	1,146,970
RESTRICTED CASH	70,664	-	70,664	75,929
	\$ 2,770,463	\$ 6,457,669	\$ 9,228,132	\$ 8,410,567
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,141,476	\$ 3,276	\$ 1,144,752	\$ 707,262
Wages payable	995,344	-	995,344	437,283
Deferred revenue	223,571	-	223,571	12,138
Due to LCDS Foundation <i>(Note 10)</i>	3,137	-	3,137	22,365
Due to Nainstay Non-Profit Building Inc. <i>(Note 10)</i>	18,335	-	18,335	-
Current portion of long term debt <i>(Note 7)</i>	792,197	37,070	829,267	141,070
Current portion of capital leases	-	6,930	6,930	6,930
	3,174,060	47,276	3,221,336	1,327,048
LONG TERM DEBT <i>(Note 7)</i>	11,854	566,762	578,616	1,403,413
OBLIGATIONS UNDER CAPITAL LEASE	-	8,601	8,601	15,531
DUE TO OPERATING FUND	-	1,066,654	1,066,654	1,146,970
RESTRICTED DEFERRED INCOME	18,086	-	18,086	23,350
	3,204,000	1,689,293	4,893,293	3,916,312
<b>NET ASSETS</b>				
Restricted Fund balances	52,579	-	52,579	52,579
	(486,116)	4,768,376	4,282,260	4,441,676
	(433,537)	4,768,376	4,334,839	4,494,255
	\$ 2,770,463	\$ 6,457,669	\$ 9,228,132	\$ 8,410,567

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

See notes to financial statements

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2021**

	Operating Fund 2021	Building Fund 2021	<b>Total 2021</b>	Total 2020
<b>Unrestricted Net Assets</b>				
Balance - beginning of year	\$ (482,917)	\$ (189,988)	\$ (672,905)	\$ (715,704)
Deficiency of revenue over expenses	(3,199)	(156,217)	(159,416)	181,973
Capital expenditures paid out of revenue	-	(136,601)	(136,601)	(139,174)
	(486,116)	(482,806)	(968,922)	(672,905)
<b>Net Assets Invested in Capital Assets</b>				
Balance - beginning of year	-	5,114,581	5,114,581	4,975,407
Repayments of debt	-	136,601	136,601	139,174
	-	5,251,182	5,251,182	5,114,581
<b>Restricted Net Assets</b>				
Balance - beginning of the year	52,579	-	52,579	52,579
	52,579	-	52,579	52,579
<b>NET ASSETS - END OF YEAR</b>	<b>\$ (433,537)</b>	<b>\$ 4,768,376</b>	<b>\$ 4,334,839</b>	<b>\$ 4,494,255</b>

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2021**

	Operating Fund 2021	Building Fund 2021	Total 2021	Total 2020
<b>REVENUE</b>				
MCSS funding	\$ 13,053,650	\$ -	\$ 13,053,650	\$ 12,007,272
Rent	380,067	89,196	469,263	468,640
Sales - Petrolia Enterprises	155,936	-	155,936	190,706
Donations and fundraising	-	-	-	126,867
Other grants and subsidies	277,716	-	277,716	260,864
Other income	260,415	-	260,415	253,165
	14,127,784	89,196	14,216,980	13,307,514
<b>EXPENSES</b>				
Advertising and promotion	31,200	-	31,200	41,673
Interest and bank charges	3,999	45,631	49,630	53,323
Office	124,476	-	124,476	114,329
COVID-19 costs	252,350	-	252,350	127,340
Program costs	150,661	-	150,661	160,896
Quality enhancement	524,377	-	524,377	620,284
Buildings	1,280,840	-	1,280,840	938,468
Client purchased services	1,009,211	-	1,009,211	1,027,444
Purchased Services	40,383	-	40,383	41,802
Other expenses and fundraising	241,404	-	241,404	174,211
Equipment repairs and maintenance	1,475	-	1,475	1,111
Wages and benefits	10,305,319	-	10,305,319	9,668,049
Travel (recovered)	165,288	(27,790)	137,498	156,611
	14,130,983	17,841	14,148,824	13,125,541
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	(3,199)	71,355	68,156	181,973
<b>OTHER ITEM</b>				
Loss on disposal of capital assets	-	(227,572)	(227,572)	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ (3,199)	\$ (156,217)	\$ (159,416)	\$ 181,973

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**

**Statement of Cash Flows  
Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (159,416)	\$ 181,973
Item not affecting cash:		
Loss on disposal of capital assets	227,572	-
	<b>68,156</b>	<b>181,973</b>
Changes in non-cash working capital:		
Accounts receivable	(42,066)	(83,339)
Inventory	1,137	7,997
Accounts payable and accrued liabilities	437,491	(109,560)
Restricted Deferred income	(5,264)	2,344
Prepaid expenses	46,994	(20,084)
HST recoverable	(23,046)	3,447
Wages payable	558,061	63,663
Deferred revenue	211,433	(3,186)
Due to LCDS Foundation	(19,228)	28,367
Due to Nainstay Non-Profit Building Inc.	18,335	-
	<b>1,183,847</b>	<b>(110,351)</b>
Cash flow from operating activities	<b>1,252,003</b>	<b>71,622</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(136,601)	(233,468)
Repayment of obligations under capital lease	(6,930)	(6,929)
Cash flow used by financing activities	<b>(143,531)</b>	<b>(240,397)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>1,108,472</b>	<b>(168,775)</b>
Cash - beginning of year	<b>285,348</b>	<b>454,123</b>
<b>CASH - END OF YEAR</b>	<b>\$ 1,393,820</b>	<b>\$ 285,348</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest paid	\$ 49,630	\$ 53,322
<b>CASH CONSISTS OF:</b>		
Cash	\$ 1,323,156	\$ 209,419
Restricted cash	70,664	75,929
	<b>\$ 1,393,820</b>	<b>\$ 285,348</b>

See notes to financial statements



**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**1. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

**2. 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.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**Revenue recognition**

Lambton County Developmental Services 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.

**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.

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**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**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.

**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, accounts payable, 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 \$1,423,413 (2020 - \$1,566,945).

**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. 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.

**Vacation and Sick Pay**

Vacation and sick pay is expensed when taken by employees and so is not accrued. At year end, the unrecorded liability for vacation and sick pay was \$667,019 (2020 - \$807,038).

**Related Party Transactions**

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

**4. ECONOMIC DEPENDENCE**

LCDS received approximately 92% of its total revenue for the year (2020 - 92%) from the Ministry of Community and Social Services. It would be difficult to continue operations without the support of these funds.

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

**5. CAPITAL ASSETS**

	2021	2020
Land	\$ 38,901	\$ 38,901
Land improvements	8,488	8,488
Buildings	5,409,865	5,409,865
Equipment	-	92,250
Motor vehicles	388,437	514,967
Furniture and fixtures	380,872	389,664
Capital leases of buildings - cost	231,106	231,106
	<b>\$ 6,457,669</b>	<b>\$ 6,685,241</b>

Certain capital assets purchased are expensed with 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.

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**6. BANK DEBT**

In additions to various fixed term loans described in Note 6, 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 March 31, 2021, there was no balance outstanding on this facility (2020 - \$Nil).

A revolving term facility in the amount of \$149,999, the terms of which are set as and when drawn upon.

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 mortgagee;
- 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 mortgagee;
- 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 mortgagee;
- 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 mortgagee.

**7. LONG TERM DEBT**

	2021	2020
RBC Royal Bank loan bearing interest at 4% per annum, repayable in monthly blended payments of \$10,504. The loan matures on December 21, 2021 and is secured by lands and improvements described in Note 6 which have a carrying value of \$4,778,405.	\$ 780,403	\$ 868,969

*(continues)*

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

**7. LONG TERM DEBT (continued)**

	<b>2021</b>	<b>2020</b>
RBC Royal Bank loan bearing interest at 3.44% per annum, repayable in monthly blended payments of \$1,050. The loan matures on March 25, 2023 and is secured by lands and improvements described in Note 6 which have a carrying value of \$4,778,405.	23,647	35,045
Less: current portion of Operating Fund debt	<b>(792,197)</b>	(105,000)
<b>Long term debt of the Operating Fund</b>	<b>11,853</b>	<b>799,014</b>
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 \$303,339.	158,127	165,819
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 408 King St., Petrolia which has a carrying value of \$268,021.	162,779	173,724
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 \$173,511.	126,085	132,085
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 \$165,085.	156,841	168,841
Less: current portion of Building Fund debt	<b>(44,000)</b>	(43,000)
<b>Long term debt of the Building Fund</b>	<b>559,832</b>	<b>597,469</b>
	<b>\$ 571,685</b>	<b>\$ 1,396,483</b>

Principal repayment terms are approximately:

2022	\$ 836,197
2023	56,354
2024	39,800
2025	38,600
2026	39,100
Thereafter	397,831
	<u>\$ 1,407,882</u>

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**8. LEASE COMMITMENTS**

The Organization leases premises for use as residences from Nainstay Non-Profit Buildings Inc., a related party. Annual lease payments are \$20,700.

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, 2021, are as follows:

2022	\$ 6,930
2023	6,930
2024	<u>1,672</u>
	<u>\$ 15,532</u>

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

**9. RELATED PARTY TRANSACTIONS**

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

	2021	2020
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	-	124,902
	<b>12,103</b>	<b>137,005</b>
Nainstay Non-Profit Building Inc.		
<i>Owns properties used in LCDS program delivery</i>		
Rents paid	(163,130)	(154,145)
Management fees received	60,000	60,000
	<b>(103,130)</b>	<b>(94,145)</b>
	<b>\$ (91,027)</b>	<b>\$ 42,860</b>

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.

**10. DUE TO RELATED PARTIES**

	2021	2020
Current portion due to related parties		
Due to LCDS Foundation	\$ 3,137	\$ 22,365
Due to Nainstay Non-Profit Building Inc.	18,335	-
	<b>\$ 21,472</b>	<b>\$ 22,365</b>

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

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**11. GOING CONCERN ASSUMPTION**

COVID-19 Pandemic

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

These financial statements were prepared using accounting standards that assume the Organization will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Organization management believes that measures it has taken or intend to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption. The Organization has qualified for certain assistance programs that have been announced and management is also currently analyzing a potential plan to restructure for cost savings, although no such plan has been formally approved.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

**12. COMPARATIVE FIGURES**

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



**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Statement of Revenue and Expenditures - Operating Fund**  
**Year Ended March 31, 2021**

*(Schedule 1)*

	Administration	Group Homes	Community Participation	SIL	Host Family	Other Programs (Schedule 2)	Total	Total
	2021	2021	2021	2021	2021	2021	2021	2020
<b>REVENUES</b>								
MCCSS funding	\$ -	\$ 7,522,759	\$ 1,994,919	\$ 1,360,774	\$ 1,411,497	\$ 763,701	\$ <b>13,053,650</b>	\$ 12,007,272
Rent	47,028	239,777	(710)	14,982	-	78,989	<b>380,066</b>	382,283
Other grants and subsidies	-	-	277,716	-	-	-	<b>277,716</b>	260,864
Other income	193,311	-	14,501	2,825	-	49,778	<b>260,415</b>	253,165
Sales - Petrolia Enterprises	-	-	112,557	-	-	43,379	<b>155,936</b>	190,705
Donations and fundraising	-	-	-	-	-	-	-	26,867
	<b>240,339</b>	<b>7,762,536</b>	<b>2,398,983</b>	<b>1,378,581</b>	<b>1,411,497</b>	<b>935,847</b>	<b>14,127,783</b>	<b>13,121,156</b>
<b>ADMINISTRATIVE ALLOCATIONS</b>	911,795	(524,710)	(153,504)	(94,965)	(98,772)	(39,845)	<b>(1)</b>	-
<b>EXPENSES</b>								
Advertising and promotion	29,076	80	-	86	-	1,958	<b>31,200</b>	41,672
Buildings	284,082	447,710	233,564	70,937	7,800	236,747	<b>1,280,840</b>	1,034,480
COVID-19 costs	57,741	-	-	-	-	194,609	<b>252,350</b>	127,340
Client purchased services	-	95,725	336,652	48,239	467,411	61,185	<b>1,009,212</b>	1,027,445
Equipment repairs and maintenance	-	-	1,475	-	-	-	<b>1,475</b>	1,111
Interest and bank charges	1,908	-	559	-	-	1,533	<b>4,000</b>	10,091
Office	49,865	33,866	9,243	14,620	11,896	4,986	<b>124,476</b>	114,329
Other expenses and fundraising	64,744	73,802	57,267	24,362	13,534	7,695	<b>241,404</b>	174,210
Program costs	15,398	29,127	70,039	10,385	9,164	16,548	<b>150,661</b>	189,400
Purchased Services	39,920	-	-	-	-	463	<b>40,383</b>	103,717
Quality enhancement	135,663	235,292	72,527	53,222	13,465	14,208	<b>524,377</b>	620,284
Travel	5,898	50,621	75,570	10,227	17,882	5,091	<b>165,289</b>	184,401
Wages and benefits	468,090	6,551,022	1,200,035	977,305	712,186	396,681	<b>10,305,319</b>	9,765,257
	<b>1,152,385</b>	<b>7,517,245</b>	<b>2,056,931</b>	<b>1,209,383</b>	<b>1,253,338</b>	<b>941,704</b>	<b>14,130,986</b>	<b>13,393,737</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ (251)	\$ (279,419)	\$ 188,548	\$ 74,233	\$ 59,387	\$ (45,702)	\$ <b>(3,204)</b>	\$ (272,581)

See notes to financial statements

**LAMBTON COUNTY DEVELOPMENTAL SERVICES**  
**Statement of Revenue and Expenditures - Other Programs**  
**Year Ended March 31, 2021**

*(Schedule 2)*

	Caregiver Respite 2021	Recreation 2021	Social Enterprise 2021	Habitat Homes 2021	Residential Relief Funding 2021	<b>Total 2021</b>	Total 2020
<b>REVENUES</b>							
MCSS funding	\$ 12,185	\$ -	\$ 250	\$ 556,658	\$ 194,608	\$ 763,701	\$ 214,304
Other income	-	299	49,479	-	-	49,778	101,960
Sales - Petrolia Enterprises	-	-	43,379	-	-	43,379	97,222
Rent	-	-	-	78,989	-	78,989	65,565
Donations and fundraising	-	-	-	-	-	-	21,408
	12,185	299	93,108	635,647	194,608	935,847	500,459
<b>ADMINISTRATIVE ALLOCATIONS</b>	(914)	-	-	(38,931)	-	(39,845)	15,659
<b>EXPENSES</b>							
Advertising and promotion	-	-	1,958	-	-	1,958	2,335
Buildings	-	-	152,833	83,914	-	236,747	233,397
COVID-19 costs	-	-	-	-	194,609	194,609	-
Client purchased services	5,710	-	-	55,475	-	61,185	58,811
Interest and bank charges	-	-	1,533	-	-	1,533	2,284
Office	-	-	2,899	2,087	-	4,986	4,189
Other expenses and fundraising	-	-	2,282	5,413	-	7,695	2,428
Program costs	-	-	16,001	547	-	16,548	43,031
Purchased Services	-	-	-	463	-	463	-
Quality enhancement	438	-	-	13,770	-	14,208	6,330
Travel	-	-	-	5,091	-	5,091	679
Wages and benefits	-	29	14,090	382,562	-	396,681	211,372
	6,148	29	191,596	549,322	194,609	941,704	564,856
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 5,123	\$ 270	\$ (98,488)	\$ 47,394	\$ (1)	\$ (45,702)	\$ (48,738)

See notes to financial statements