

Financial Statements of

**CORPORATION OF THE
COUNTY OF FRONTENAC**

Year ended December 31, 2021

CORPORATION OF THE COUNTY OF FRONTENAC

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Year ended December 31, 2020

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the Corporation of the County of Frontenac (the "County") are the responsibility of the County's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

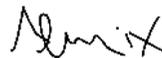
The County's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the County. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the County's financial statements.



Kelly Pender
Chief Administrative Officer



Alex Lemieux
Director of Corporate Services/Treasurer



KPMG LLP
22 Wilson Street, West
Perth ON K7H 2M9
Canada
Tel 613-267-6580
Fax 613-267-7563

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Frontenac

Opinion

We have audited the financial statements of the Corporation of the County of Frontenac (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

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

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

Other Matter - Comparative Information

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 21, 2021.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

June 15, 2022

CORPORATION OF THE COUNTY OF FRONTENAC

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 19,592,114	\$ 12,786,929
Investments (note 3)	4,587,223	8,839,504
Accounts receivable	3,832,427	2,620,717
	<u>28,011,764</u>	<u>24,247,150</u>
Liabilities:		
Accounts payable and accrued liabilities	4,587,203	5,670,731
Deferred revenue	1,693,500	635,060
Deferred revenue - obligatory reserve fund (note 4)	1,244,189	445,554
Employee future benefit obligations (note 5)	1,456,913	370,031
Long-term liabilities (note 6)	1,114,042	2,522,199
	<u>10,095,847</u>	<u>9,643,575</u>
Net financial assets	17,915,917	14,603,575
Non-financial assets:		
Tangible capital assets (note 14)	22,519,100	22,821,397
Inventories	361,765	377,135
Prepaid expenses	232,218	256,305
Total non-financial assets	<u>23,113,083</u>	<u>23,454,837</u>
Contingent liabilities (note 10)		
Commitments (note 12)		
Accumulated municipal equity (note 7)	<u>\$ 41,029,000</u>	<u>\$ 38,058,412</u>

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE COUNTY OF FRONTENAC

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 16)	2021	2020
Revenue:			
Government grants	\$ 17,586,120	\$ 22,503,979	\$ 20,675,545
Taxation from other governments	11,089,239	11,103,208	10,855,470
Revenue from municipalities	12,751,183	12,751,397	10,886,622
User charges	3,596,167	3,421,309	3,436,036
Other	1,037,426	1,132,216	1,047,077
Deferred revenues earned (note 4)	851,884	872,808	1,289,398
Investment income	120,000	183,817	212,231
Provincial offences fines penalties	133,875	13,812	21,138
Total revenue	47,165,894	51,982,546	48,423,517
Expenses (note 15):			
Paramedic services	19,981,182	22,996,147	19,606,806
Long-term care	14,985,890	16,192,361	15,368,869
General government	3,206,729	3,060,134	3,122,503
Transportation services	1,094,862	1,294,819	1,161,787
Other	1,050,683	1,094,910	1,155,216
Social and family services	1,113,579	1,006,064	887,455
Planning and development	1,124,212	1,053,930	993,520
Libraries	886,505	898,469	874,313
Health services	801,690	801,690	785,970
Social housing	657,782	612,690	507,507
Protection to persons and property	7,552	744	721
Total expenses	44,910,666	49,011,958	44,464,667
Annual surplus	2,255,228	2,970,588	3,958,850
Accumulated municipal equity, beginning of year	38,058,412	38,058,412	34,099,562
Accumulated municipal equity, end of year (note 7)	\$ 40,313,640	\$ 41,029,000	\$ 38,058,412

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE COUNTY OF FRONTENAC

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 16)	2021	2020
Annual surplus	\$ 2,255,228	\$ 2,970,588	\$ 3,958,850
Acquisition of capital assets	(1,869,879)	(1,507,305)	(1,331,310)
Amortization of capital assets	1,202,616	1,792,024	1,742,193
Loss (gain) on sale of capital assets	–	14,391	(23,708)
Proceeds on sale of capital assets	–	3,187	50,353
Acquisition of inventories	–	(361,765)	(377,135)
Acquisition of prepaid expenses	–	(232,218)	(256,305)
Consumption of inventories	–	377,135	180,952
Consumption of prepaid expenses	–	256,305	134,111
	(667,263)	341,754	119,151
Change in net financial assets	1,587,965	3,312,342	4,078,001
Net financial assets, beginning of year	14,603,575	14,603,575	10,525,574
Net financial assets, end of year	\$ 16,191,540	\$ 17,915,917	\$ 14,603,575

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE COUNTY OF FRONTENAC

Statement of Cash Flows

Year ended December 31, 2021 with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,970,588	\$ 3,958,850
Items not involving cash:		
Amortization of tangible capital assets	1,792,024	1,742,193
Loss (gain) on disposal of capital assets	14,391	(23,708)
Change in employee future benefits	1,086,882	20,821
Change in non-cash assets and liabilities:		
Accounts receivable	(1,211,710)	185,780
Accounts payable and accrued liabilities	(1,083,528)	1,791,609
Deferred revenue	1,058,440	343,796
Deferred revenue - obligatory reserve fund	798,635	(462,204)
Inventories	15,370	(196,183)
Prepaid expenses	24,087	72,681
Net change in cash from operations	5,465,179	7,433,635
Capital activities:		
Acquisition of tangible capital assets	(1,507,305)	(1,331,310)
Proceeds on disposal of capital assets	3,187	50,353
Net change in cash from capital activities	(1,504,118)	(1,280,957)
Investing activities:		
Decrease (increase) in investments	4,252,281	(638,695)
Financing activities:		
Repayment of long-term debt	(1,408,157)	(1,324,693)
Increase in cash	6,805,185	4,189,290
Cash, beginning of year	12,786,929	8,597,639
Cash and cash equivalents, end of year	\$ 19,592,114	\$ 12,786,929

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements

Year ended December 31, 2021

1. Status of the County of Frontenac:

The County of Frontenac (the 'County') was incorporated in 1865 and assumed its responsibilities under the authority of the Provincial Secretary. The County operates as an upper tier government in the County of Frontenac, in the Province of Ontario, Canada and provides municipal services such as emergency measures, public health services, ambulance services, social and family assistance, planning and development and other general government operations.

2. Significant accounting policies:

The financial statements of the Corporation of the County of Frontenac (the "County") are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

(a) Non-consolidated entities:

Kingston, Frontenac and Lennox and Addington Public Health is not consolidated and only the contributions by the County are reported on the Statement of Operations.

The Kingston-Frontenac Public Library Board is not consolidated and only the contributions by the County are reported on the Statement of Operations.

(b) Basis of accounting

(i) The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

(ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

(iii) Trust funds and their related operations administered by the County are not included in these financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements

Year ended December 31, 2021

2. Significant accounting policies (continued):

(c) Taxation and related revenues:

Property tax billings are prepared by the County based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established by the County Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of the Township of Frontenac Islands, Township of South Frontenac, Township of Central Frontenac and Township of North Frontenac for regional services, and amounts the County is required to collect on behalf of the Province of Ontario in respect of education taxes. Taxation revenues are recorded at the time tax billings are issued. Adjustments to taxation revenues can occur during the year related to the issuance of supplementary tax billings and/or assessment appeals. These adjustments are recorded when the amount of the adjustments can be quantified. The County is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period in which the interest and penalties are applied.

(d) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land	
Land improvements	10 to 30
Buildings	10 to 50
Vehicles	4.5 to 10
Machinery and equipment	3 to 30
Bridges	16 to 50
Work-in-progress	

Amortization is charged for the months in use. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the Statement of Operations in the year of disposal.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Significant Accounting Policies (continued):

(d) Tangible capital assets (continued):

When conditions indicate that a tangible capital asset no longer contributes to the County's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations.

(e) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(f) Inventories and prepaid expenses:

Inventories and prepaid expenses held for consumption are recorded at the lower of cost or replacement cost.

(g) Workplace safety and insurance liabilities:

The County bears the cost of certain insurance and pension benefits awarded under Workplace Safety and Insurance legislation and has accrued the actuarially determined cost of these obligations. Actuarial gains (losses), which can arise from changes in actuarial assumptions, will be amortized over the expected average remaining service life of the related employee groups.

(h) Pension and employee benefits

The County accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

(i) Employee future benefits

The County provides extended healthcare, dental and life insurance benefits, as well as a retirement program to eligible employees. The cost of these future benefits earned by employees is actuarially determined using management's best estimate of expected health care costs and retirement ages. Actuarial gains (losses), which can arise from changes in actuarial assumptions, will be amortized over the expected average remaining service life of the related employee groups.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Significant accounting policies (continued):

(j) Cash and cash equivalents

The County considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

(k) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made except when and to the extent that stipulations by the transferor give rise to an obligation that meets the definition of a liability. Government transfers that give rise to a liability are recognized as revenue as the liability is extinguished.

(l) Deferred revenues:

The County defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, are reported as deferred revenues in the Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

The County receives restricted contributions under the authority of Federal and Provincial legislation and County by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the County has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

(m) Investments:

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on available current funds and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Significant accounting policies (continued):

(n) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

3. Investments:

Investments reported on the Statement of Financial Position have cost and market values as follows:

	2021 Cost	2021 Market Value
Canadian equity, bonds and guaranteed investment certificates	\$ 4,587,223	\$ 4,591,416

	2020 Cost	2020 Market Value
Canadian equity, bonds and guaranteed investment certificates	\$ 8,839,504	\$ 8,929,481

4. Deferred revenues:

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenues. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The transactions for the year are summarized as follows:

	2021	2020
Federal gas tax, January 1, 2021	\$ 445,554	\$ 907,758
Federal grant, gasoline tax	1,659,412	809,280
Investment income	12,031	17,914
Utilization of funds	(872,808)	(1,289,398)
Federal gas tax, December 31, 2021	\$ 1,244,189	\$ 445,554

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Employee future benefits:

- (a) The County provides extended health care and dental to employees who meet specific criteria within the Fairmount Home and Paramedic Services. Extended health care and dental benefits continue to be available to early retirees at 100% of their cost up to the age of 60, then between the age of 60 and 65, the retiree will generally be responsible for paying 50% of the benefit premiums.

An independent actuarial valuation of the future benefits with respect to the post-retirement benefits continuation program has been undertaken to be effective December 31, 2021. The most recent valuation of future benefits with respect to the post-retirement benefits as of December 31, 2021 resulted in an actuarial loss of \$56,147 to be amortized on a straight-line basis over the expected average remaining benefit lifetime of the related employee groups, which is estimated to be between fourteen to seventeen years (2020 - fourteen to seventeen years).

The significant actuarial assumptions adopted in estimating the County's accrued benefit obligation are as follows:

Interest discount rate	3.25% per annum
Medical rate of inflation	Escalate at 5.4166% for 2023 vs. 2022 reducing by 0.333% per year to 3.75% per year in 2028 vs 2027
Dental rate of inflation	3.75% per annum
Retirement rate	25% at first unreduced early Retirement age and 10% thereafter

	2021	2020
Accrued post-retirement benefit obligation at January 1	\$ 380,137	\$ 359,350
Benefit cost for the year	19,886	18,747
Increase due to plan amendment	36,472	—
Interest cost	15,297	14,500
Expected benefit payments	(15,312)	(12,460)
Actuarial loss	56,147	—
Accrued post-retirement benefit obligation at December 31	492,627	380,137
Unamortized actuarial loss	(66,220)	(10,106)
Accrued post-retirement benefit liability at December 31	\$ 426,407	\$ 370,031

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Employee future benefits (continued):

(a) (continued):

Information with respect to the County's post-retirement unamortized loss is as follows:

	2021	2020
Remaining unamortized loss at January 1	\$ (10,106)	\$ (10,139)
Actuarial loss	(56,147)	–
Amortization during the year	33	33
Remaining unamortized loss at December 31	\$ (66,220)	\$ (10,106)

(b) Workplace Safety and Insurance Board (WSIB) liabilities:

In common with other Schedule 2 employers, the County funds its obligations to the Workplace Safety and Insurance Board on a self-funded basis for employees under Schedule 2.

An independent actuarial valuation of Workplace Safety and Insurance liabilities as at December 31, 2020 for future payments on Workplace Safety and Insurance Board claims occurring on or before December 31, 2020 has been undertaken. The next valuation will be effective December 31, 2023. The most recent actuarial valuation of Workplace Safety and Insurance liabilities resulted in an actuarial loss of \$2,001,836 to be amortized on a straight-line basis over the expected average remaining benefit lifetime of the related employee groups, which is estimated to be ten years (2020 - ten years).

The significant actuarial assumptions adopted in estimating the County's Workplace Safety and Insurance Board accrued benefit obligation are as follows:

Interest discount rate	2.75% per annum
Loss of earnings	0.25% per annum
Administration costs	27.0% of benefit costs

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Employee future benefits (continued):

(b) Workplace Safety and Insurance Board (WSIB) liabilities (continued):

Information with respect to the County's Workplace Safety and Insurance Board accrued benefit liability is as follows:

	2021	2020
Accrued WSIB benefit obligation at January 1	\$ 2,273,047	\$ –
Benefit cost for the year	899,737	–
Interest cost	69,244	–
Expected benefit payments	(409,870)	–
Accrued WSIB benefit obligation at December 31	2,832,158	–
Unamortized actuarial loss	(1,801,652)	–
Accrued WSIB liability at December 31	\$ 1,030,506	\$ –

Information with respect to the County's Workplace Safety and Insurance Board unamortized loss is as follows:

	2021	2020
Remaining unamortized loss at January 1	\$(2,001,836)	\$ –
Amortization during the year	200,184	–
Remaining unamortized loss at December 31	\$(1,801,652)	\$ –

In 2020, the WSIB liabilities of \$338,243 were not recorded in the County's financial statements in error. In 2021, the accumulated liability has been recorded in the County's Statement of Operations as the portion of the liability related to prior periods is not material.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Long term liabilities

- (a) The balance of long term liabilities reported on the Statement of Financial Position is comprised of the following:

	2021	2020
Debenture issue	\$ 1,114,042	\$ 2,522,199

A debenture was issued on September 12, 2002 maturing September 12, 2022, to finance a building project at Fairmount Home for the Aged. The debenture has an interest rate of 6.157% with principal repayments commencing on September 12, 2003. Debt repayment costs will be recovered from future revenue. The City of Kingston's share of the debt repayment was established through a Mediated Settlement dated August 7, 2002 and is based on 50% of the repayments related to the 32 new beds and 74% of the repayments related to the 96 existing beds.

- (b) Principal payments fall due as follows:

	General revenues
2022	\$ 1,114,042

- (c) Interest expense on long term liabilities in 2021 amounted to \$121,410 (2020 - \$202,352).
- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

7. Municipal equity:

	2021	2020
Investment in tangible capital assets		
Tangible capital assets	\$ 22,519,100	\$ 22,821,397
Long term liabilities	(1,114,042)	(2,522,199)
	21,405,058	20,299,198
Unfunded future employee liabilities	(118,463)	(103,589)
Reserves (Schedule 1)	18,775,476	16,790,549
Reserve funds (Schedule 2)	966,929	1,072,254
Total municipal equity	\$ 41,029,000	\$ 38,058,412

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Pension contributions:

The County makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the County does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The last available report for the OMERS plan was December 31, 2021. At that time, the plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion actuarial deficit).

The amount contributed to OMERS was \$1,884,107 (2020 - \$1,794,638) for current services and is included as an expenditure on the Statement of Operations classified under the appropriate functional expenditure.

9. Trust funds:

Trust funds administered by the County amounting to \$10,654 (2020 - \$11,999) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County's financial position or financial activities.

10. Contingent liabilities:

- (a) The County is contingently liable for its share of any operating deficit of the Kingston-Frontenac Public Library Board, which is approximately 13% of the accumulated balance as at the end of the year for the Board. The County's share of the accumulated operating surplus is \$Nil (2020 - \$74,758).
- (b) The nature of the County's activities is such that there may be litigation pending or in prospect at any time. With respect to claims at December 31, 2021, management believes that the County has valid defences and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the County's financial position.

11. Contributions to joint boards

- (a) The assets and liabilities of the Kingston-Frontenac Public Library Board have not been consolidated. The County contributions to the Library Board for 2021 are \$898,469 (2020 \$874,313) and are reported on the Statement of Operations.
- (b) The assets and liabilities of the Kingston-Frontenac and Lennox and Addington Health Board have not been consolidated. The County made the following contributions to the Kingston, Frontenac and Lennox and Addington Health Board for 2021 of \$801,690 (2020 - \$785,970).

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

12. Commitments

- (a) In 2018, the County pledged \$55,061 annually for 10 years to the University Hospitals Kingston Foundation, a joint fund raising appeal undertaken by the Foundation on behalf of local hospitals. The County has recognized \$220,244 for four of ten payments, as of December 31, 2021 (2020 - \$165,183).
- (b) In 2012, the Kingston Frontenac Housing Corporation entered into an agreement with the City of Kingston to pay \$12,500 per year beginning in 2012 to provide for a new septic system at the social housing site in Verona. Through the cost sharing agreement with the City of Kingston the County of Frontenac is obligated for 100% of the costs of the social housing units in the County, including this annual repayment.

13. Cost sharing allocations:

The Local Service Realignment sets out formulae under which the costs for Social Services, Child Care, Social Housing, Provincial Offences and Land Ambulance are shared between the County of Frontenac and the City of Kingston. A new cost sharing arrangement was derived for the period of 2004 to 2006 through an arbitrated settlement and continued on a year to year basis. Program costs for Social Services and Child Care are distributed on the basis of caseload and Social Housing costs are allocated by the location of the unit. The administrative costs for these services are allocated on the basis of weighted assessment. The cost of Land Ambulance and the net revenue of Provincial Offences are distributed on the basis of weighted assessment.

14. Tangible capital assets:

Cost	Balance at December 31, 2020	Transfers and Additions	Transfers, Disposals and Adjustments	Balance at December 31, 2021
Land	\$ 1,031,465	\$ -	\$ -	\$ 1,031,465
Land improvements	4,081,334	156,510	-	4,237,844
Buildings	22,337,370	-	-	22,337,370
Vehicles	3,092,914	616,472	274,610	3,434,776
Machinery and equipment	7,145,329	431,566	517,267	7,059,628
Bridges	847,971	15,396	-	863,367
Work-in-progress	20,550	287,361	-	307,911
Total	\$ 38,556,933	\$ 1,507,305	\$ 791,877	\$ 39,272,361

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

14. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2020	Amortization expense	Transfers, Disposals and Adjustments	Balance at December 31, 2021
Land	\$ –	\$ –	\$ –	\$ –
Land improvements	1,332,138	261,436	–	1,593,574
Buildings	7,705,818	478,647	–	8,184,465
Vehicles	1,801,156	487,466	258,610	2,030,012
Machinery and equipment	4,803,651	548,948	515,689	4,836,910
Bridges	92,773	15,527	–	108,300
Work-in-progress	–	–	–	–
Total	\$ 15,735,536	\$ 1,792,024	\$ 774,299	\$ 16,753,261

	Net book value December 31, 2020	Net book value December 31, 2021
Land	\$ 1,031,465	\$ 1,031,465
Land improvements	2,749,196	2,644,270
Buildings	14,631,552	14,152,905
Vehicles	1,291,758	1,404,764
Machinery and equipment	2,341,678	2,222,718
Bridges	755,198	755,067
Work-in-progress	20,550	307,911
Total	\$ 22,821,397	\$ 22,519,100

15. Segmented Information

The County is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the statement of operations.

Departments have been separately disclosed in the segmented information, along with the service they provide, as set out in the schedule below.

For each reported segment, expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 2.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

15. Segmented Information (continued):

2021	General Government	Protection to Persons & Property	Transportation Services	Social Housing	Long-Term Care	Social & Family Services	Health Services	Paramedic Services	Libraries	Planning & Development	Other	Total
Operating Revenue												
Taxation from Other Governments	\$ 11,103,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,103,208
User Charges	53,669	-	325,320	-	3,017,198	-	-	21,072	-	4,050	-	3,421,309
Government Grants Provincial	494,185	-	1,051,763	-	9,344,044	-	-	11,625,343	-	82,808	-	22,598,143
Government Grants Other Municipalities	-	-	-	-	3,189,906	-	-	9,395,821	-	-	-	12,585,727
Government Grants Federal	-	-	-	-	-	-	-	-	-	71,506	-	71,506
Deferred Revenue	-	-	-	-	-	-	-	-	-	26,396	846,412	872,808
Provincial Offences Net Revenue	13,812	-	-	-	-	-	-	-	-	-	-	13,812
Investment Income	179,994	-	-	-	-	-	-	3,823	-	-	-	183,817
Other	511,137	-	41	-	119,274	-	-	298,361	-	203,403	-	1,132,216
Total Operating Revenue	12,356,005	-	1,377,124	-	15,670,422	-	-	21,344,420	-	388,163	846,412	51,982,546
Operating Expenses												
Salaries & Benefits	1,524,936	-	1,129,301	-	12,551,578	-	-	18,639,465	-	733,603	-	34,578,883
Materials	160,602	95	63,603	-	1,387,187	-	-	1,450,781	-	46,823	-	3,109,091
Contracted Services	987,868	649	91,295	612,690	1,527,935	1,006,064	801,690	1,884,462	898,469	268,677	-	8,079,799
Rents & Financing	7,939	-	-	-	121,410	-	-	213,516	-	-	-	342,865
External Transfers	-	-	-	-	-	-	-	-	-	-	1,094,910	1,094,910
Other	-	-	-	-	1,573	-	-	12,813	-	-	-	14,386
Amortization	378,789	-	10,620	-	602,678	-	-	795,110	-	4,827	-	1,792,024
Total Operating Expenses	3,060,134	744	1,294,819	612,690	16,192,361	1,006,064	801,690	22,996,147	898,469	1,053,930	1,094,910	49,011,958
Net Revenue (Expenses)	\$ 9,295,871	\$ (744)	\$ 82,305	\$ (612,690)	\$ (521,939)	\$ (1,006,064)	\$ (801,690)	\$ (1,651,727)	\$ (898,469)	\$ (665,767)	\$ (248,498)	\$ 2,970,588

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

15. Segmented Information (continued):

2020	General Government	Protection to Persons & Property	Transportation Services	Social Housing	Long-Term Care	Social & Family Services	Health Services	Paramedic Services	Libraries	Planning & Development	Other	Total
Operating Revenue												
Taxation from Other Governments	\$ 10,855,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,855,470
User Charges	53,669	-	183,303	-	3,167,347	-	-	24,517	-	7,200	-	3,436,036
Government Grants Provincial	1,196,586	-	874,224	-	7,968,947	-	-	10,364,477	-	271,311	-	20,675,545
Government Grants Other Municipalities	-	-	-	-	3,311,094	-	-	7,440,393	-	-	-	10,751,487
Deferred Revenue	-	-	-	-	135,135	-	-	-	-	480,118	809,280	1,424,533
Provincial Offences Net Revenue	21,138	-	-	-	-	-	-	-	-	-	-	21,138
Investment Income	208,379	-	-	-	-	-	-	3,852	-	-	-	212,231
Other	478,318	-	97	-	123,800	-	-	308,804	-	136,058	-	1,047,077
Total Operating Revenue	12,813,560	-	1,057,624	-	14,706,323	-	-	18,142,043	-	894,687	809,280	48,423,517
Operating Expenses												
Salaries & Benefits	1,427,541	-	1,001,092	-	11,933,740	-	-	16,056,205	-	682,410	-	31,100,988
Materials	167,440	326	42,209	-	1,333,463	-	-	986,236	-	50,174	-	2,579,848
Contracted Services	1,190,226	395	109,220	507,507	1,307,748	887,455	785,970	1,568,426	874,313	254,440	-	7,485,700
Rents & Financing	7,008	-	-	-	204,915	-	-	212,507	-	-	-	424,430
External Transfers	-	-	-	-	-	-	-	-	-	-	1,155,216	1,155,216
Other	-	-	-	-	2,645	-	-	(26,353)	-	-	-	(23,708)
Amortization	330,288	-	9,266	-	586,358	-	-	809,785	-	6,496	-	1,742,193
Total Operating Expenses	3,122,503	721	1,161,787	507,507	15,368,869	887,455	785,970	19,606,806	874,313	993,520	1,155,216	44,464,667
Net Revenue (Expenses)	\$ 9,691,057	\$ (721)	\$ (104,163)	\$ (507,507)	\$ (662,546)	\$ (887,455)	\$ (785,970)	\$ (1,464,763)	\$ (874,313)	\$ (98,833)	\$ (345,936)	\$ 3,958,850

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

16. Budget figures:

The 2021 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, resulting in a significant variance. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements:

	Budget
Total revenues	\$ 47,165,894
Total expenses	44,910,666
	2,255,228
Amortization	1,869,879
Funds available	4,125,107
Capital expenditures	(1,202,616)
Disposal of tangible capital assets	-
Principal repayments	(1,232,957)
Unfunded expense	-
Increase in operating surplus	\$ 1,689,534
Allocated as follows:	
Net transfers from reserves	\$ 1,689,534

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

17. Impact of COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ('COVID-19') as a pandemic. This resulted in governments worldwide, including the Canadian, Ontario and municipal governments, enacting emergency measures to combat the spread of the virus.

The pandemic has had significant operational and financial impacts including service reductions, declines in associated user fee revenues and additional costs. While impacts have been mitigated by associated funding and other cost saving measures, the pandemic has created uncertainty over current and future year operations and the financial position of the Municipality.

The duration and impact of COVID-19 are still unknown. It is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and conditions of the Municipality in future periods. The Municipality continues to closely monitor and assess the impact on its operations. It is management's assessment that the Municipality will have sufficient resources to mitigate the potential losses in 2022 due to COVID-19.

The County of Frontenac was provided \$97,115 in one-time funding during the 2021 calendar year to support paramedic services and dispatch centres as part of the COVID-19 response in the emergency health services sector from January to March 2021. The County of Frontenac incurred \$52,609 in eligible expenses and the remaining \$44,506 was transferred to a liability as it is payable to the Ministry of Health.

In February 2022, the County received a funding commitment of \$348,047 from the Ministry of Health to support paramedic services and dispatch centres as part of the COVID-19 response for additional expenses incurred in 2021. The County of Frontenac incurred \$263,514 in eligible expenses and recognized that portion of revenue in 2021 with the offset as an increase to accounts receivable.

In 2021, the County has received COVID-19 Prevention and Containment Funding Allocations from the Ministry of Long-Term Care totaling \$1,583,900. These funds were aimed at protecting the health and well-being of residents and staff in long term care homes to prevent and contain the spread of COVID-19. These funds were fully utilized during the year to offset additional pandemic related supplies and equipment purchases and staffing challenges related to the pandemic.

The County also received \$54,000 in 2021 from The Ministry of Long-Term Care to ensure adherence to critical testing and screenings requirements in long term care homes. These funds were fully utilized during the year to cover the incremental costs associated with testing & screening at Fairmount Home.

CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2021

17. Impact of COVID-19 (continued):

The Ministry of Long-Term Care has committed to provide the County with \$33,648 as part of the Medication Safety Technology Program. In 2021, Fairmount Home received \$25,226 of this funding and the balance will be received by March 2022. This funding is to support LTC Homes in completing medication safety technology implementation or upgrades and improvements directly linked to improved medication safety technology implementation for the safety of their residents, staff and families. The County used \$15,340 of this funding during the year and have deferred the remaining \$9,896.

On December 30, 2020, the County received \$238,000 to address operating pressures related to COVID-19 in 2021. This funding was recognized as deferred revenue in 2020 and recognized as revenue in 2021. In 2021, the County received an additional \$238,277 in funds from the Ontario government as part of the Safe Restart Agreement. The funds are to be used by municipalities to help manage the financial impacts of COVID-19. The funding stipulates that all funds not used by December 31, 2021 must be transferred to a reserve account. The County utilized \$195,642 of Safe Restart funding in 2021. At year end the County has \$1,332,619 in its Safe Restart Reserve included in Accumulated Municipal Equity.

In 2021, the County received funding of \$82,512 from the Ministry of Long-Term Care for eligible IPAC minor capital purchases. The stipulation on this funding applicable to homes that do not have air conditioning serving all common areas and resident rooms, is that it can only be used toward purchasing, installing, upgrading or repairing air conditioning. Only when common areas and resident rooms in the home are served by air conditioning may funding under the IPAC minor capital program be used for other eligible IPAC minor capital expenditures. At year end, these funds have been moved to deferred revenue to address planned air conditioning improvements in 2022.

18. Comparative information:

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

CORPORATION OF THE COUNTY OF FRONTENAC

Schedule 1 – Continuity of Reserves and Reserve Funds

Year ended December 31, 2021

	Budget (note 16)	2021	2020
Revenue:			
Investment income	\$ –	\$ 47,242	\$ 85,685
Net transfers from/to other funds:			
Transfers from operations	1,085,849	984,409	1,334,323
Transfers to capital acquisitions	603,685	847,951	1,693,001
	<u>1,689,534</u>	<u>1,832,360</u>	<u>3,027,324</u>
Balances, change in year	1,689,534	1,879,602	3,085,634
Balances, beginning of year	17,862,803	17,862,803	14,777,169
Reserves and reserve fund balances, end of year	<u>\$ 19,552,337</u>	<u>\$ 19,742,405</u>	<u>\$ 17,862,803</u>

CORPORATION OF THE COUNTY OF FRONTENAC

Schedule 2 – Composition of Reserves and Reserve Funds

Year ended December 31, 2021

	2021	2020
Reserves set aside for specific purposes by Council:		
Operating:		
County of Frontenac - working fund	\$ 1,220,799	\$ 1,220,798
- operating	13,999	23,302
- WSIB	111,814	61,866
Frontenac Paramedic Service - Severance	331,697	297,456
- WSIB	2,315,347	2,002,248
Fairmount Home - operating	157,368	145,064
- severance	142,072	111,401
Sustainability	233,829	220,020
Community development reserve	47,934	16,095
Safe Restart	1,332,619	1,051,984
Asset Replacement:		
Capital replacement	4,705,540	4,077,437
Ontarians with Disabilities	79,678	117,354
Fairmont Home -capital replacement	945,142	940,230
Fairmont Home - capital reserve fund*	758,310	865,394
Frontenac Paramedic Service - vehicle replacement	849,568	740,746
- equipment replacement	1,923,995	1,643,015
External Agency Reserves:		
Library reserve	256,570	237,070
Social housing - Out of Scope	312,686	287,686
Strategic Regional Reserves:		
Strategic projects reserve	1,710,556	1,811,141
Stabilization Reserves:		
County of Frontenac	2,024,723	1,779,353
Legally Restricted:		
Donations *	164,541	163,584
Pathways *	44,077	43,277
FRC Frontenac Howe Islander Ferry Reserve	24,050	-
Frontenac Howe Island Ferry WSIB	35,491	6,282
	\$ 19,742,405	\$ 17,862,803
Reserves	\$ 18,775,476	\$ 16,790,549
Reserve funds	966,929	1,072,254
Total reserves and reserve funds	\$ 19,742,405	\$ 17,862,803



KPMG LLP
22 Wilson Street, West
Perth ON K7H 2M9
Canada
Tel 613-267-6580
Fax 613-267-7563

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Frontenac

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the County of Frontenac (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of financial activities for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial activities for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

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

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

Other Matter - Comparative Information

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 21, 2021.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

June 15, 2022

CORPORATION OF THE COUNTY OF FRONTENAC

Trust Funds Statement of Financial Position

Year ended December 31, 2021, with comparative information for 2020

	Fairmount Home Residents'	Bridget Fowler	2021	2020
Assets				
Cash	\$ 5,031	\$ 5,623	\$ 10,654	\$ 11,999
Fund Balances				
Fund balance	\$ 5,031	\$ 5,623	\$ 10,654	\$ 11,999

The accompanying note is an integral part of these financial statements.

CORPORATION OF THE COUNTY OF FRONTENAC

Trust Funds

Statement of Financial Activities

Year ended December 31, 2021, with comparative information for 2020

	Fairmount Home Residents'	Bridget Fowler	2021	2020
Revenue:				
Residents' deposits	\$ 4,691	\$ –	\$ 4,691	\$ 8,576
Interest	–	509	509	500
	4,691	509	5,200	9,076
Expenses:				
Residents' withdrawals	6,545	–	6,545	8,110
Excess of revenue over expenses (expenses over revenue)	(1,854)	509	(1,345)	966
Balance, beginning of the year	6,885	5,114	11,999	11,033
Balance, end of year	\$ 5,031	\$ 5,623	\$ 10,654	\$ 11,999

The accompanying note is an integral part of these financial statements.

CORPORATION OF THE COUNTY OF FRONTENAC

Trust Funds

Note to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

1. Basis of accounting:

The statement of Residents' Trust Accounts of the Corporation of the County of Frontenac reports the deposits and disbursements for the year ended December 31, 2021, in accordance with the significant accounting principles prescribed by the Ministry of Health and Ministry of Long-Term Care. General eligibility criteria for expenditures and reporting requirements are described in the 2021 Long-Term Care Home Annual Report Technical Instructions and Guidelines, dated April 30, 2021, issued by the Ministry of Health and Ministry of Long-Term Care of Ontario.

The purpose of the Statement is for the Entity to meet its obligation to report to the Ministry of Health and Long-Term Care of Ontario's 2021 Long-Term Care Home Annual Report Technical Instructions and Guidelines dated April 30, 2021.

2. Significant accounting policies:

(a) Receipts:

Receipts are recorded on the cash basis.

(b) Disbursements:

Disbursements are recorded on the cash basis